



**FOREIGN
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Daily Report

China

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Daily Report

China

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20 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An * indicates material not disseminated in electronic form.

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General

Foreign Ministry Holds Weekly News Conference

Spokesman Comments on Perry Visit

OW2010101794 Beijing XINHUA in English 0957
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—The China visit made by U.S. Defense Secretary William Perry "marked the resumption of highest-ranking contacts between the Chinese and U.S. Armies," said a Chinese Foreign Ministry spokesman here this afternoon at a weekly press conference.

Spokesman Chen Jian made the remark when asked to comment on the results of Perry's China tour and what impact the visit would produce on future Sino-U.S. ties.

Chen said, Perry's China visit, an important one which occurred on the background that Sino-U.S. relations maintained the momentum of development, would "forcefully push forward the overall improvement and development of Sino-U.S. relations."

Chinese President Jiang Zemin, Premier Li Peng, Vice-Chairman Liu Huaqing of China's Central Military Commission, Vice-Premier and Foreign Minister Qian Qichen and State Councillor and Minister of National Defense Chi Haotian met or held talks with Perry respectively, and they conducted friendly and serious discussions on issues of enhancing the relations between the two countries and the two armies, Chen noted.

Ding Henggao, Chinese minister in charge of the Commission of Science, Technology and Industry for National Defense, and Perry signed a statement of principles guiding the work of Sino-U.S. Joint Defense Conversion Commission, the spokesman said.

Views DPRK-U.S. Agreement

OW2010094494 Beijing XINHUA in English 0937
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—The Chinese Government welcomes the agreement reached in the talks between the Democratic People's Republic of Korea (DPRK) and the United States, Foreign Ministry spokesman Chen Jian said here this afternoon.

He made this remark when asked to comment on the agreement reached in the DPRK-U.S. talks at the weekly press conference here today, adding that China believes that the implementation of the agreement would help realize the denuclearization on the Korean peninsula at an early date and maintain peace, security and stability in the region.

Welcomes Jordan-Israel Treaty

OW2010110594 Beijing XINHUA in English 1051
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—China welcomes the agreement reached on

October 17 by Jordanian King Husayn and Israeli Prime Minister Yitzhak Rabin, said a Chinese Foreign Ministry spokesman here this afternoon at a weekly press conference.

Chen Jian, the spokesman, made the remark when asked to comment on the agreement on sharing of water resources and the border issue and on the formal signing of a Jordan-Israel peace accord next week.

"This will be a major progress in the negotiations between Arabian countries and Israel," Chen noted.

China hopes that all parties involved in the Middle-East issues would make further efforts to realize the overall and fair peace in the region at an early date, the spokesman said.

Criticizes Proposed Peace Prize

HK2010103294 Hong Kong AFP in English 0920 GMT
20 Oct 94

[FBIS Transcribed Text] Beijing, Oct 20 (AFP)—The Chinese Government Thursday criticised a U.S. Congress proposal to award 1995's Nobel Peace Prize to prominent dissident Wei Jingsheng. "It is nothing but a mockery of the Nobel Peace Prize to nominate such a man as a candidate," Foreign Ministry spokesman Chen Jian said.

"Wei Jingsheng is a criminal sentenced to imprisonment on the charge of selling state secrets and some other activities," Chen added during a press conference.

In suggesting the award, the U.S. Congress members said that Wei embodied the democratic aspirations of the Chinese people.

Wei, the most famous of China's dissidents, was released on parole in September 1993, after 15 years in jail for his involvement in the Democracy Wall Movement (1978-79). During the insurrection, he had demanded democratic reforms and called paramount leader Deng Xiaoping a despot.

Police took him in for questioning again on April 1 and placed him under house arrest, accusing him of fresh crimes.

Qiao Shi To Visit Australasia

OW2010085094 Beijing XINHUA in English 0837
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, will pay an official good-will visit to New Zealand, Australia, Argentina and Brazil from November 2 to 25.

Chinese Foreign Ministry Spokesman Chen Jian made the announcement at a weekly press conference here today.

On his return trip, Chen said, Qiao will also pay a visit to the Republic of Fiji upon invitation of the leaders of the House of Representatives and the Senate of Fiji.

Qiao will visit the four countries as guest of speaker of the parliament of New Zealand Peter Tapsell, the Australian Government and speaker of the House of Representatives and president of the Senate of Australia, the Argentine Government and Congress, and the Brazilian Government and parliament.

Rong Yiren To Visit Japan

OW2010085994 Beijing XINHUA in English 0840
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Chinese Vice-President Rong Yiren will pay an official visit to Japan from October 28 to November 4 at the invitation of the Japanese Government.

Chinese Foreign Ministry spokesman Chen Jian announced this here today.

NPC Group To Visit North Africa

OW2010090894 Beijing XINHUA in English 0844
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—A delegation of China's National People's Congress (NPC) will pay an official goodwill visit to Morocco, Tunisia and the United Arab Emirates [UAE] from October 23 to November 8.

Chinese Foreign Ministry spokesman Chen Jian made the announcement here today.

The delegation will be led by Li Peiyao, vice-chairman of the NPC Standing Committee.

The delegation will visit the three nations at the invitation of the parliaments of Morocco and Tunisia and the Federal National Council of the UAE.

Italian Foreign Minister To Visit

OW2010092594 Beijing XINHUA in English 0900
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Italian Foreign Minister Antonio Martino will pay an official visit to China from November 2 to 6 at the invitation of Chinese Vice-Premier and Foreign Minister Qian Qichen.

Chinese Foreign Ministry spokesman Chen Jian made this announcement at a press conference here today.

Egyptian Delegation To Visit

OW2010091594 Beijing XINHUA in English 0851
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—An Egyptian parliamentary delegation headed

by Parliament Speaker and President of the Interparliamentary Council Ahmad Fathi Surur will pay a goodwill visit to China from October 23 to 27.

The delegation will be here as guest of China's National People's Congress Standing Committee.

Chinese Foreign Ministry spokesman Chen Jian made this announcement here today.

Eritrean Foreign Minister To Visit

OW2010091994 Beijing XINHUA in English 0857
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Eritrean Foreign Minister Petros Solomon will pay a visit to China from October 25 to 30 as guest of Chinese Vice-Premier and Foreign Minister Qian Qichen.

This was announced by Chinese Foreign Ministry spokesman Chen Jian here today.

Commentary Views U.S.-North Korea Agreement

HK1910120994 Hong Kong TA KUNG PAO in Chinese
19 Oct 94 p 4

["Political Talk" Column by Shih Chun-yu (2457 0689 3768): "U.S.-North Korean Agreement Is Conducive to Cooperation in Northeast Asia"]

[FBIS Translated Text] The United States and North Korea have finally reached an agreement in principle on the nuclear issue after their talks experienced several setbacks. This agreement was immediately welcomed by various countries.

Both Sides Made Concessions

The agreement was something of a surprise, because the news about the talks over the last few days was very confusing—at one time it was reported that the two sides were about to reach an agreement and then things seemed to move in the opposite direction. The talks had reportedly run into great difficulties and even reached a deadlock once. The breakthrough was made after the two sides continued to exchange views over the telephone and through the fax. The agreement did not come about easily. There had been more setbacks earlier.

The twists and turns in the past make us believe there will still be many difficulties in implementing the agreement.

When speaking with reporters about the agreement in Beijing yesterday, U.S. Secretary of Defense William Perry was very cautious about the topic, saying the agreement was reached by the negotiators and that it would not become a valid agreement until it was approved by the supreme leadership of the two sides. This is a normal procedure for many agreements. By singling this out Perry seemed to pour cold water on the agreement.

The terms of the deal were not formally published, but relevant parties still leaked quite a lot of information about them. On balance, the two sides have made concessions. The North Korean side agreed to open its nuclear facilities to international inspection, including military facilities in two places, which were formerly considered to concern the state sovereignty, and to install light-water reactors manufactured by South Korea; while the U.S. side agreed to leave the 8,000 dismantled nuclear fuel rods to the care of North Korea and lift economic sanctions against North Korea. The two sides also agreed to open liaison offices in each other's capital, making the first step forward toward establishing diplomatic ties.

There Are Still Many Difficulties

The essential point of the agreement is that North Korea agreed to replace its existing graphite reactors, which are in use or under construction, with more advanced light-water reactors, which produce less plutonium. This will involve many complicated procedures and take a long time. It will take three to five years to complete the key project of the light-water reactors and not until then will North Korea allow inspection of its nuclear facilities. During this period, the development will be unpredictable.

However, the general situation indicates that various countries in the Asia-Pacific region are extricating themselves from the confrontation caused by different ideologies, fostering mutual trust, and developing economic cooperation. Even Northeast Asia with the Korean Peninsula as its center is witnessing vigorous efforts to develop international cooperation. Under this general situation, it is possible to relax the tension brought about by the 38th Parallel.

The Deal Awakened a Response in Japan and South Korea

In the earlier stage when the United States and North Korea engaged in active negotiations, which were punctuated by the death of Kim Il-sung, South Korea and the United States failed to coordinate their moves and Seoul frequently had its own way. South Korea changed the tune yesterday when the United States and North Korea announced that they had reached an agreement. Kim Yong-sam responded by hoping for an early resumption of a South-North dialogue. South and North Korea had arranged for a summit, but it was shelved due to the death of Kim Il-sung. Now that the memorial service marking the 100th day of Kim Il-sung's death has been held, it appears that Kim Chong-il will formally succeed his father as president. With the agreement serving as a new impetus, the relations between South Korea and North Korea are likely to make new progress.

In addition, the North Korea-Japan talks on establishing diplomatic ties, which were brought to a standstill by the nuclear disputes, will be placed on the agenda again. Japanese businessmen have been casting greedy eyes on

the North Korea market. South Korea, which is reluctant to see rich water flow in other people's fields, announced yesterday that South Korean businessmen are free to go to North Korea to do business as soon as the agreement is formally signed.

Relaxing tension in the Korean peninsula is in the interest of the Asia-Pacific region and in world peace. We hope the agreement will be implemented without a hitch.

Clinton Welcomes Agreement

*OW1910155294 Beijing XINHUA in English 1513
GMT 19 Oct 94*

[FBIS Transcribed Text] Washington, October 18 (XINHUA)—U.S. President Bill Clinton said here today he was pleased with the agreement reached on Monday [17 October] in Geneva by U.S. and Democratic People's Republic of Korea (DPRK) negotiators on the text of a framework document relating to the DPRK's nuclear program.

"This agreement is good for the United States, good for our allies, and good for the safety of the entire world," Clinton told reporters at a White House news briefing.

He instructed Robert Gallucci, the chief U.S. negotiator with the DPRK, to return to Geneva on Friday to sign the agreement.

Under the agreement, the DPRK has promised to freeze its existing nuclear program and to accept international inspection of all its existing nuclear facilities, Clinton said.

"This agreement represents the first step on the road to a nuclear-free Korean Peninsula," he stressed.

According to sources close to the negotiation, the United States has agreed to provide DPRK with two light water reaction power stations, and to ease trade and investment restrictions on DPRK.

The two countries also agreed to move towards establishing liaison offices in each other's capitals, while the DPRK agreed to resume dialogue with South Korea, according to the sources.

Clinton said the United States has held close consultations with its allies since the beginning of the negotiations, and will continue to work closely with them as its relations with the DPRK develop.

'Forum' Views Arms Sales in U.S. Middle East Policy

*HK2010095694 Beijing RENMIN RIBAO in Chinese
17 Oct 94 p 6*

["International Forum" column by Gu Ping (0657 1627): "Major Issue Viewed From Small Angle"]

[FBIS Translated Text] The sudden tension on the Iraq-Kuwait border has made the issue of sanctions against Iraq a hot topic again. Regarding the different attitudes of several big European and American countries toward sanctions, many people base their position on their own strategic interests, economic interests, and even domestic considerations. Others observe it from the small angle of arms exports.

DEUTSCHE PRESSE AGENTUR said that in a comprehensive analysis of the views of some Arab personalities it had found several "very well-organized arguments, one of which was: "Washington is not interested in lifting sanctions. A weak Iraq can easily be manipulated and can also act as a phantom threatening other Arab countries, causing them to purchase vast quantities of American weapons. Since 1991 (the Gulf War), the United States has signed contracts worth nearly \$60 billion with friendly Arab countries for weapons and support equipment."

Although the argument may sound farfetched at first hearing, it is not untrue. In fact, U.S. arms exports have surged in recent years. Its arms exports last year totaled \$32 billion, twice as much as the year before last. According to data published by the research arm of the U.S. Congress, the United States had 21 percent of the world arms market in 1989, but last year that rocketed to 70 percent. McDonnell Douglas Corporation announced a \$9 billion contract with Saudi Arabia for 72 F-15 fighters, which alone guarantees its production lines keep running for three years and create 11,000 jobs. Invigorating the economy is the U.S. Government's primary goal, hence one can see the role of arms exports. In this light, DEUTSCHE PRESSE AGENTUR's arguments are not an unfounded joke. Moreover, it is reported that Russia and France wish to relax sanctions on Iraq, and the Western media similarly explored the reasons for this from the angle of arms sales and commercial contracts.

One can also view the current situation in the Gulf and some other issues from the angle of arms sales. For example, since the end of the Cold War, several hot points in the Asia-Pacific region have cooled down one after another and the security situation has further improved, while some people greatly exaggerate how unstable the region is. Asked about this situation, the Chinese foreign minister once made a very precise remark: "In the wake of the Cold War, the arms industries of some big powers do not have ready markets and they need to seek new markets, and so they have created views such as 'tension is emerging in the Asia-Pacific region' with a view to marketing their arms." This remark hit the nail on the head.

In recent years, several military powers have reduced armaments and cut military expenditure. In the case of the United States, the Pentagon's budget for arms purchases this year is \$44 billion, just half that of six years ago. Its huge arms industry is therefore encountering

insufficient domestic demand and is finding it difficult to "convert the defense industry into civilian production," and so it must promote overseas sales. This objectively demands that tension be maintained or emerge in some regions.

Arms sales are, of course, only a small angle from which one judges the complicated international situation. One must not let it outweigh all other factors. However, it is indeed a very useful angle which enables us to view some issues more clearly.

U.S. Renews Effort To End Embargo Against Bosnia

OW 1910164594 Beijing XINHUA in English 1617
GMT 19 Oct 94

[FBIS Transcribed Text] Washington, October 19 (XINHUA)—The United States has renewed its effort to persuade its European allies and Russia to end a U.N.-authorized arms embargo against Bosnia next spring.

The administration was beginning consultations at the UN on a resolution that would lift the ban on the Bosnian Government, as promised by President Bill Clinton to Congress, White House spokeswoman Dee Dee Myers said.

Britain, France and Russia, all with troops on the ground in Bosnia, oppose the end of the ban, fearing an escalation of the fighting. Britain and France had threatened to withdraw their soldiers.

The Bosnia arms ban was among the major differences during Russian President Boris Yeltsin visit here last month. But the Bosnian Government's request of a six-month delay postponed the bickering.

Myers said the U.S. would prefer a multilateral action on the embargo, but if agreement could not be reached by November 15, Washington would consider acting alone to seek to provide the Bosnian Muslims with arms.

Meanwhile, Myers said, the United States would continue to press the Bosnian Serbs to accept an international peace plan brokered by the so-called "Contact Group."

The plan, put forward by the U.S., Britain, France, Germany and Russia, calls on the Bosnian Serbs to give up some of the land they captured, reducing their share from the current 70 percent to 49 percent of Bosnia, a requirement rejected by the Serbs.

Jiang Appoints Envoys to Suriname, Guyana, Libya

OW 1910114694 Beijing XINHUA in English 1053
GMT 19 Oct 94

[FBIS Transcribed Text] Beijing, October 19 (XINHUA)—President Jiang Zemin appointed three new

ambassadors today, in accordance with a decision of the Standing Committee of China's National People's Congress.

Zhou Xingxing is appointed the new ambassador to the Republic of Suriname, to replace Tang Bosheng.

Wang Baomin, the current Chinese ambassador to the Cooperative Republic of Guyana, is replaced Zhang Yu.

Qin Hongguo is appointed the new ambassador to the Great [as received] Socialist People's Libyan Arab Jamahiriya to replace Wang Houli.

UN Envoy Comments on International Year of Family

OW1910164194 Beijing XINHUA in English 1610 GMT 19 Oct 94

[FBIS Transcribed Text] United Nations, October 19 (XINHUA)—A Chinese representative to the current General Assembly said today family has become an issue of greater significance to the international community as well as an important item on the UN agenda.

Ambassador Wang Xuexian, who was making the remark at the International Conference on Families, attributed the progress to the 1994 international year and positive responses of the world community.

"Since the adoption of the resolution by the General Assembly at its 44th Session which announced 1994 the International Year of the Family, countries in the world have all made positive responses," he said.

He noted that activities taken for the year had helped draw people's attention to the question of family, deepened their understanding of various economic, social and population elements related to the family issue, enhanced the efforts by different countries in formulating or adjusting their family policies and programs, and promoted international cooperation in the field of family.

In the case of China, Wang first noted that it had always been an important part of the Chinese culture to attach importance to families and their values.

"This tradition has been further enhanced with the development of family relations towards equality, democracy, and harmony," he added.

He said China now had more than 260 million families which constitute the structure of China's modern society abounding with unprecedented vitality.

United States & Canada

Jiang Zemin Meets Perry, Calls For Cooperation

OW1910124494 Beijing XINHUA Domestic Service in Chinese 1024 GMT 19 Oct 94

[By reporter Lu Jing (4151 0513)]

[FBIS Translated Text] Wuhan, 19 Oct (XINHUA)—During a meeting with visiting U.S. Defense Secretary William Perry here this morning, Jiang Zemin, state president and chairman of the Central Military Commission, who is currently on an inspection trip to Wuhan, said: Despite their differing social systems and ideologies, there is no reason why China and the United States cannot cooperate. The two countries should work together to bring their friendly relations and cooperation into the 21st century.

Jiang Zemin welcomed Perry on his visit to China. Perry conveyed President Clinton's regards to Jiang Zemin, who, in turn, asked Perry to convey his greetings to President Clinton on his return home.

On bilateral relations, Jiang Zemin said: "Relations between the two countries have seen new progress since my meeting with President Clinton in Seattle last November. I look forward to meeting President Clinton again in Indonesia next month."

He said: China and the United States should enhance trust, reduce troubles, develop cooperation, and refrain from confrontation. As long as the two sides continue their efforts, avenues for the development of relations between the two countries will grow broader. "We are optimistic about the prospects of development of relations between the two countries."

Jiang Zemin briefed the visitor on China's reform, opening up, and economic development. He said: Our economic and social development follows the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. The goal of our economic reform is to establish a socialist market economic system. During the course of social and economic development, we should actively learn all scientific and effective management methods and experiences from developed Western nations, as well as all outstanding cultural achievements, while constantly promoting our country's fine traditions and culture.

Perry said: President Clinton advocates constructive contacts between the United States and China, including the development of relations between the two armies. During his current visit to China, he exchanged views with China's Government and military leaders on many issues of common concern, and the two sides had very good talks.

He said: The U.S. side attached great importance to [fei chang zhong shi 7236 1603 6850 6018] developing relations between the two countries and armies. In its national defense policy, the United States does not view China as a threat, but as a friend.

Also present during the meeting were Chi Haotian, state councilor and concurrently defense minister; Li Jing, deputy chief of staff of the People's Liberation Army [PLA]; Xu Huizi, PLA deputy chief of staff who is

accompanying Jiang Zemin on his inspection trip; and Li Xilin, commander of the Guangzhou Military Region.

Further on Meeting

OW1910151494 Beijing XINHUA in English 1504
GMT 19 Oct 94

[FBIS Transcribed Text] Wuhan, October 19 (XINHUA)—Chinese President Jiang Zemin met with the visiting U.S. Defense Secretary William Perry here today.

Extending a welcome to Perry's China visit, Jiang, also chairman of China's Central Military Commission, said that there is no reason for China and the U.S. not to conduct co-operation, though their ideologies and social systems are different.

Jiang, who is on an inspection tour in Wuhan, added that the two countries should make joint efforts to bring a friendly and co-operative relationship into the next century.

Perry conveyed to Jiang greetings from President Clinton and Jiang also asked Perry to give his regards to the U.S. President.

On bilateral relations, Jiang said that new progress has been made in the Sino-U.S. ties since the two presidents met in Seattle last November. "I'm looking forward to meeting President Clinton again in Indonesia next month," Jiang told Perry.

China and the U.S. should enhance trust, reduce troubles, promote co-operation and avoid confrontations, Jiang said. So long as the two sides further their efforts, the road for developing bilateral relations would be wider, he added.

"We're optimistic about the prospect of the Sino-U.S. relations", Jiang said.

Briefing the guests on the current situation of China's reform, opening up and economic development, Jiang said that China's economic and social development is under the guidance of Deng Xiaoping's theory of building socialism with Chinese characteristics.

The purpose of China's economic reform is to establish a socialist market economy, Jiang noted.

In the process of its social and economic development, Jiang said while carrying forward the cream of its traditional culture, China will also positively learn from the scientific and effective management measures, experience and fine cultural fruits of the developed Western countries.

Perry said that President Clinton maintains that U.S. and China conduct constructive contacts, including the development of relations between the two armies.

He told Jiang that he had held good talks with Chinese Government and military leaders and exchanged views with them on many issues of common concern.

The U.S. side attaches major importance to its relations with China and to the military ties between the two countries, Perry stated.

The defense secretary stressed that the U.S. considers China as a friend in its national defense policy, instead of regarding it as a threat.

Among those present at the meeting were Chi Haotian, Chinese State Councillor and defense minister, Li Jing, deputy chief of General Staff of the Chinese People's Liberation Army.

Perry Visits Chongqing, Departs

OW1910154894 Beijing XINHUA in English 1534
GMT 19 Oct 94

[FBIS Transcribed Text] Chongqing, October 19 (XINHUA)—U.S. Secretary of Defense William Perry ended his four-day visit to China and left here for Manila by special plane here this evening.

Perry told Chinese State Councillor and Defense Minister Chi Haotian, who was seeing him off at the airport, that the visit had been "productive."

He said he had met with the old friends and got to know new ones, adding that he was satisfied with the visit.

The defense secretary arrived in Chongqing this afternoon from Wuhan, Hubei Province, where he met with Chinese President Jiang Zemin.

During his brief stay here, Perry toured the Stilwell Museum, which locates in the residence of late General Joseph Stilwell, a U.S. military leader who came to China during the World War II.

Speaking at the museum, Perry said his current visit was "the latest step of a very important journey."

Nearly a year ago the U.S. and China resumed their military contacts and the military leaders of the two countries have exchanged visits.

During his current visit, Perry said, he discussed regional security and other issues with the Chinese side. Meanwhile, the two sides initiated new areas of cooperation—the defense conversion production. And on some key issues such as nuclear non-proliferation the two sides "reaffirmed their common objectives."

Perry said that the cooperative relationship established by General Stilwell with China during the WWII period can guide the two countries in establishing and developing links in economic, cultural and other aspects.

He said he was "looking forward to more progress" in U.S.-China relations in the future.

Perry presented a wreath to a statue of General Stilwell inside the museum. John Warner, one of the two senators accompanying Perry on the China visit, presented some commemoratives of the hump flight within the China-Burma-India war zone of WWII to the museum.

General Stilwell, who came to China in 1942, has been regarded as "a sincere friend of the Chinese people." The Stilwell Museum was set up in Chongqing in October 1991.

Those who accompanied Perry and his party in Chongqing also included Li Jing, deputy chief of General Staff of the Chinese People's Liberation Army, Li Jiulong, Chengdu military area commander, Sun Tongchuan, secretary of the Chongqing City Committee of the Chinese Communist Party, and Liu Zhizhong, mayor of Chongqing.

Nancy Easterbrook, daughter of General Stilwell, was also present.

Officials Meet Head of U.S. Export-Import Bank

OW1910114394 Beijing XINHUA in English 1113
GMT 19 Oct 94

[FBIS Transcribed Text] Beijing, October 19 (XINHUA)—Vice-president Zhu Xiaohua of the People's Bank of China, and president Wang Xuebing of the Bank of China met with Kenneth D. Brody, president of the Export-Import Bank of the United States, and his party here today.

The Chinese officials exchanged views with Brody on cooperation between China's financial institutions and the U.S. bank.

Brody and his party arrived here yesterday at the invitation of China's State Planning Commission.

Sino-U.S. Joint Venture Opens in Shanghai

OW2010055294 Beijing XINHUA in English 1406
GMT 19 Oct 94

[FBIS Transcribed Text] Shanghai, October 19 (XINHUA)—The Caterpillar Shanghai Engine Company, a joint venture between the Caterpillar Company of the U.S. and the Shanghai Diesel Engine Company, went into operation here today.

The venture will build diesel engines with the trademark of Caterpillar. It has invested 30 million U.S. dollars for its first phase of construction.

Addressing a ceremony to mark the opening of the joint venture, Caterpillar Chairman D.V. Fites described the establishment of the venture as an "important step" taken by his company to expand its engine production in China.

Since 1985 the company has signed 12 technology transfer contracts with Chinese firms.

Central Eurasia

Report on Kazakhstan's Cabinet Reshuffle

HK2010095394 Beijing XINHUA Domestic Service in
Chinese 0636 GMT 13 Oct 94

["News Analysis" by staff correspondent Sun Zhanlin (1327 0594 2651): "Reasons Behind Kazakhstan Government's Reshuffle"]

[FBIS Translated Text] Alma Ata, 12 Oct—The Prime Minister Sergei Tereshchenko led-Kazakhstan Government resigned en masse on 11 October. The following day Kazakhstan's Parliament elected First Deputy Prime Minister Kazhegeldin, nominated by President Nazarbayev, as the First Prime Minister, and others for major cabinet posts. This was the first cabinet reshuffle since Kazakhstan's independence.

It was no accident that the Tereshchenko cabinet resigned. Tereshchenko himself is Ukrainian of Kazakh nationality. He was made prime minister shortly after the disintegration of the Soviet Union by Kazakhstan's highest authorities to show that the country was pursuing a policy of ethnic equality and harmony. The country's market reform drive had suffered a series of setbacks in the last two years, with continual production decline and economic downturns causing increasing dissatisfaction among people. Nazarbayev's reputation had also suffered. He had repeatedly criticized the government for not doing enough and frequently changed cabinet members, all to no avail. There were often rumors of Tereshchenko resigning. Toward the end of May, the Kazakhstan parliament cast a vote of no confidence on the government's economic reform program to force the government out of power. Under the president's reconciliation, the government survived the no-confidence crisis.

In July, the Kazakhstan Government unveiled a new outline on combating economic crisis allowing the government 15 months to stabilize the economy with initial successes. Nazarbayev stressed that the government should resign if it failed to achieve the above objective before the deadline. However, shortly after the new economic outline was unveiled, the president himself announced that he had "lost faith" in the government. According to reports, inflation rates in Kazakhstan had been dropping in the second half of the year and the currency was stabilizing. But the parliament believed these facts were false and a result of manipulation, that is, an outcome of state selling U.S. dollars to international foreign exchange markets. The reality was that price rises and production slides were continuing.

One of the reasons for the cabinet's resignation was the Tereshchenko Government's bad political image. In September, former Economic Minister Izteleuov and Minister of Internal Affairs Shumov were relieved of their duties because of abuses of official powers and

embezzlement, and former deputy prime minister Zhabagin resigned for his suspected involvement in the economic minister's case. This spate of scandals about cabinet members seriously damaged the government's standing.

Kazakhstan will hold a presidential election in 1996. Media now believes that Nazarbayev reshuffled the cabinet in order to put together a more powerful government to help him run for reelection on a platform of reformist successes.

The magnitude of the Kazakhstan's cabinet reshuffle was bigger than anyone had expected. Four of the prime ministers left; and important posts such as foreign and interior ministers are filled by new people. Nazarbayev pointed out that the cabinet reshuffle was ultimately aimed at producing a "leadership group united in mind and action, walking in step," and capable of shouldering the heavy mission of leading reforms.

The new prime minister, Kezhegeldin, aged 42, said today in addressing the parliament that he would continue to pursue the former government's crisis-combat outline; but the new government will be forced to adopt a series of "tougher economic measures" to solve the country's economic crisis as soon as possible.

XINHUA Profiles New Russian Chief Banker

*OW1910172494 Beijing XINHUA in English 1644
GMT 19 Oct 94*

[By Zhang Tiegang: "Attractive Woman With Big Men's Portfolio"]

[FBIS Transcribed Text] Moscow, October 19 (XINHUA)—Tatyana Paramonova, the new acting chairwoman of the Central Bank of Russia, is an attractive 44-year-old woman with modest smiles and a big men's leather portfolio.

Speaking to reporters in the Kremlin today, President Boris Yeltsin spoke highly about the business qualities of Paramonova, who has become the first woman in Russia's history to lead the Central Bank.

Yeltsin described the new Central Bank chief as "an experienced and energetic worker who knows how to govern men."

Paramonova was named acting chairwoman of the Central Bank on Tuesday [18 October] by the president to replace Viktor Gerashchenko due to the radical collapse of the ruble against the U.S. dollar last week.

Paramonova was one of the six deputies for Gerashchenko, who had been chief of the former Soviet State Bank until the Soviet Union broke up in December 1991.

Taking power in the Central Bank of Russia, Gerashchenko appointed Paramonova as his deputy. She has been in charge of the Economic Department and of the

Department of Organization and Fulfillment of the State Budget. She has also been responsible for coordinating the Central Bank's operation with the Finance Ministry.

Speaking on the eve of the "Black Tuesday" (October 11) when the collapsing ruble pulled Gerashchenko from his post, Paramonova said that the Russian women now need the image of a lady who will succeed in reaching a top position in the country.

Paramonova started her financial career as an ordinary banking clerk. She said she favors people who have their own opinions.

However, she complains that many of her colleagues who work in private or commercial banks earn more than she does.

According to local press reports, Paramonova's husband, also a financier, advised her several times to quit the job and switch to a commercial bank where salaries are several times higher. "My former secretary is now working in a commercial bank and earns more than I do," Paramonova complained.

She said that she has continued to work at the Central Bank because she understands that her job is very important and that she receives moral satisfaction from it.

"I came to the state bank long ago and have rather quickly passed all career stages, beginning from the lowest one," she said, admitting that it was Gerashchenko who appointed her his deputy.

"That was pioneering on Gerashchenko's part which required certain courage: Not everyone would dare in those times to appoint a woman to such a high position," Paramonova said, but she stressed that her success was mostly due to her "perfect professional training and serious attitude toward work."

Paramonova said that over the past two years, she had worked until 11:00 p.m. every day, including Saturday.

"My husband helps me sometimes, but it is mostly me who does the cleaning, washing and shopping. I have been brought up in such a way that the housewife's duties are usual for me, any official position is temporary, while the family is, I hope, forever," she said.

Southeast Asia & Pacific

Malaysia, China Discuss Economic Relations

*OW1910141294 Beijing XINHUA in English 1323
GMT 19 Oct 94*

[FBIS Transcribed Text] Kuala Lumpur, October 19 (XINHUA)—Malaysian Deputy Prime Minister and Finance Minister Anwar Ibrahim met here today with Wu Yi, Chinese minister of foreign trade and economic cooperation.

Wu Yi arrived here last Friday [14 October] on a week-long visit to Malaysia.

Anwar and Wu reviewed with satisfaction the development of bilateral economic relations in recent years and exchanged views on the expansion of such relations.

Anwar briefed the Chinese minister on Malaysia's financial and monetary systems and its measures to keep high economic growth and low inflation.

For the last seven years, Malaysia has sustained an average annual GDP growth of over eight percent with the inflation rate under four percent.

Earlier at a luncheon, Wu Yi expressed her conviction over the further development of Sino-Malaysian economic ties.

She said that China, number one buyer of Malaysia's palm oil with around one million tons purchased yearly, will continue to import it and other primary commodities while increasing the import of manufactured goods from Malaysia.

China also welcomes Malaysians to buy its machinery and power generating equipment, which suit developing countries' needs, she said.

Trade between the two countries has grown rapidly with 1993 recording a volume of 1.78 billion U.S. dollars. During the first eight months of this year, the volume reached 1.53 billion U.S. dollars, 71.3 percent more than that in the same period of last year.

Wu Yi told Malaysian businessmen that with China's overall economic development, its foreign trade has also gone through an uptrend.

The figure rose from 20.6 billion U.S. dollars in 1978 to 195.7 billion U.S. dollars in 1993, making China the world's 11th largest trading nation. It may exceed 200 billion U.S. dollars this year, she added.

Wu called on business people of the two countries to invest in each other's potential sectors.

Officials Meet Singapore Attorney General

*OW1910164094 Beijing XINHUA in English 1543
GMT 19 Oct 94*

[FBIS Transcribed Text] Beijing, October 19 (XINHUA)—Qiao Shi, chairman of the Standing Committee of China's National People's Congress, met here today with a Singaporean delegation headed by Attorney-General Chan Sek Keong.

Briefing the delegation on China's legislation work, Qiao said that China is facing an arduous legislative task for the building and promotion of a socialist market economy, which has to be further strengthened.

Qiao noted that China should strengthen not only its legislation work, but also its law enforcement, and in this regard China can learn much from Singapore.

He continued that China and Singapore are neighbors, and bilateral exchanges and cooperation in the judicial field should be enhanced.

He said that exchanges of experiences and learning from each other, as well as further cooperation in this field between the two sides are necessary and beneficial.

Chan said that many of the Singaporean laws are out of date with its rapid economic development during the recent years, so, Singapore is also facing the problem of amending and perfecting its laws, adding that Singapore can also learn from China's legislation experiences.

Chinese Procurator-General Zhang Siquing was present at the meeting.

President of Chinese Supreme People's Court Ren Jianxin met with Chan and his party here this evening.

The delegation is here as guest of China's Supreme People's Procuratorate.

Shanghai Builds Tugboats for Singapore

*OW2010090594 Beijing XINHUA in English 0647
GMT 20 Oct 94*

[FBIS Transcribed Text] Shanghai, October 20 (XINHUA)—The Shanghai Donghai Shipyard has handed over two 3,200-horsepower tugboats to the Singaporean buyer.

With imported Japanese helm, oar and main engines, the boats have been built in line with the standards of the Japanese NK ship registration and the buyer's requirements.

Shipyard sources said that the boats, powerful but not bulky, are easy to operate and able to turn round 360 degrees at the spot. The navigating speed and other functional systems can be remote-controlled in the bridge.

Experts agree that the major technical parameters of the two boats are all up to advanced world standards.

New Zealand Premier Meets Shanghai Mayor

*OW2010092794 Beijing XINHUA in English 0904
GMT 20 Oct 94*

[FBIS Transcribed Text] Wellington, October 20 (XINHUA)—New Zealand [NZ] Prime Minister Jim Bolger said today there is a great potential for economic cooperation between NZ and China which can complement each other in the economic field.

Meeting a delegation led by Huang Ju, mayor of China's largest city Shanghai, he said he is looking forward to meeting with Chinese President Jiang Zemin at next month's informal meeting of APEC leaders in Indonesia.

He hoped his meeting with President Jiang will further promote the development of NZ-Chinese relations.

Recalling his visit to China last year, Bolger said his stay in Shanghai was brief, but he appreciates very much the fast growth achieved by Shanghai.

Huang Ju briefed Bolger on the economic development in Shanghai. He said Shanghai welcomes NZ investment and hopes to cooperate with NZ in the fields of textiles, forestry and farm produce processing.

Speaking at a reception tonight given in his honor by Chinese Ambassador to NZ Li Jinhua, the mayor said he came to NZ to seek friendship and cooperation, and is very encouraged by the prospect for future cooperation between NZ and China, Shanghai in particular.

Near East & South Asia

CPPCC Honors Egyptian Parliamentary Delegation

OW1910140694 Beijing XINHUA in English 1247
GMT 19 Oct 94

[FBIS Transcribed Text] Beijing, October 19 (XINHUA)—Wang Zhaoguo, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, hosted a banquet here this evening in honor of a delegation from the Committee on Agriculture and the Committee on Industry of the Shoura Assembly of Egypt.

The delegation is here as guests of CPPCC. Wang chaired a talk between CPPCC and the delegation this afternoon, and the two sides briefed each other on their respective development in industry and agriculture.

Nepalese Crown Prince To Visit From 25 Oct

OW1910144094 Beijing XINHUA in English 1430
GMT 19 Oct 94

[FBIS Transcribed Text] Katmandu, October 19 (XINHUA)—Crown Prince of Nepal Dipendra [name as received] will pay an official visit to China from October 25 to November 2 this year at the invitation of the Chinese Government, it was officially announced here today.

During his visit to China, the crown prince will be accompanied by Prince Gyanendra [name as received], younger brother of King Birendra, the announcement said.

Besides Beijing, Dipendra will also visit Lhasa, Xian and Shenzhen.

Sub-Saharan Africa

Chinese Observers Leave for UN Duty in Mozambique

OW2010095194 Beijing XINHUA in English 0924
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Twelve Chinese observers left here today for

Mozambique as members of the United Nations observing group to monitor the multiparty elections in the country at the invitation of the UN Secretariat.

On October 13, 1992, the UN Security Council adopted the No. 782 Resolution concerning Mozambique and decided to send observers to monitor the elections, which are scheduled to be held in the country from October 27 to 28.

Sierra Leone Head of State Comments on Visit

OW2010003794 Beijing XINHUA in English 0002
GMT 20 Oct 94

[FBIS Transcribed Text] Freetown, October 19 (XINHUA)—Captain Valentine Strasser, head of state of Sierra Leone, has described his recent visit to China as an "eye opener to the industrial zeal of the Chinese Government and people".

In a brief interview with this correspondent, Strasser said that the contact between Sierra Leone and China is now "at an all time high."

Strasser returned here on Monday [17 October] from a week-long visit to China.

Zaire's Mobutu Arrives in Kunming

OW2010134794 Beijing XINHUA in English 1307
GMT 20 Oct 94

[FBIS Transcribed Text] Kunming, October 20 (XINHUA)—President of the Republic of Zaire Marshal Mobutu arrived here this afternoon, starting a state visit to China at the invitation of Chinese President Jiang Zemin.

He was greeted at the airport by Deputy Governor of Yunnan Province Li Jiating and Zairean Ambassador to China Lombo Lo Mangamanga.

West Europe

Jiang Zemin Meets Former German President

OW2010140994 Beijing XINHUA in English 1219
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Chinese President Jiang Zemin met here this afternoon with Richard von Weizsacker, former federal president of Germany.

Jiang said that a long-term friendship and cooperation between China and Germany not only serve the two countries' own interests, but also benefit the world peace, stability and development.

Great progress has been made over recent years in the cooperations in various fields between the two countries, both of which are now in a critical period in their history, Jiang said.

He said that the two countries should take such a historical opportunity to handle bilateral relations in a long-term and strategical perspective, and make joint efforts to maintain the world peace and stability and promote the economic cooperation and prosperity.

Jiang also briefed the guests on China's current situation in reform, opening to the outside world and economic construction.

Weizsacker said he was happy to have an opportunity to visit China and better understand this country.

Germany follows with great interest China's sustained development of reform and opening-up, he said, and the success of China's reform and opening policy is of great significance not only to China, but to the world as whole as well.

The smooth development of relations between Germany and China over recent years is satisfactory, and bilateral economic cooperation has earned marked progress, the former president said, hoping that the two countries would further their political dialogues, economic and cultural exchanges and cooperation.

During the meeting, Jiang and Weizsacker also exchanged views on some international issues of common concern.

Zhu Rongji Winds Up Visit to Greece

*OW2010012394 Beijing XINHUA in English 0040
GMT 20 Oct 94*

[By Chen Dechang and Liu Xingchang]

[FBIS Transcribed Text] Athens, October 19 (XINHUA)—Chinese Vice Premier Zhu Rongji and his party left here for home this afternoon, winding up a four-day official visit to Greece.

Greek President Constantine Karamanlis and Greek Premier Andreas Papandreou met respectively earlier today with the visiting Chinese vice premier.

The two sides discussed in a friendly atmosphere the bilateral relations and issues of common concern.

After extending his warm welcome to the Chinese guests, the Greek president said his visit to China fifteen years ago has left him an excellent impression.

Today, Karamanlis added, due to the reform and opening-up policy, China has achieved outstanding achievements which attracted worldwide attention.

He also praised China for the active role it plays in the international affairs.

Papandreou said China and Greece enjoy good relations although they are far away from each other.

The Greek premier said he has been closely following the situation in China and the rapid development in China is "very encouraging".

Papandreou said the Greek Government actively encourages the Greek entrepreneurs to make investment in China and believed the exchange of visits between the entrepreneurs from both countries would promote the new development in economic and trade relations between the two nations.

Zhu Rongji noted that both China and Greece are countries with a long history of civilization and have made outstanding contributions to the civilization in the East and the West. Today, Zhu continued, while the world is rapidly moving towards multi-polarity, both countries are facing the important task of safeguarding the world peace and stability as well as developing their economies.

On the future economic cooperation between the two countries, Zhu said each country enjoys superiority and advantages as far as their economies are concerned. Therefore, he added, the two sides should make joint efforts to promote the contacts by the industrial and commercial personnel between the two countries in order to get more knowledge of each others market and explore the new ways and means for economic and trade cooperation.

The Chinese vice premier held talks with Greek Foreign Minister Karolos Papoulias on October 17. The two sides had broad and in-depth discussions on bilateral relations, major international issues and situation in the regions where each country is located.

Zhu said the two sides shared similar or identical views on many major international issues and cooperated well in international affairs.

On his part, Foreign Minister Papoulias said with the rapid development of China's economy, China is playing an even more important role in international political and economic affairs and strengthening the relations between Greece and other EU member countries and China is conducive to the world peace and stability.

During his stay in Greece, the Chinese vice premier had met with other senior Greek officials. He also met with local entrepreneurs, industrialists and businessmen.

Before his departure, Zhu Rongji gave an interview to the journalists from the local media.

An agreement on judicial assistance in civil and criminal matters between China and Greece was signed during Zhu's visit.

Zhu Rongji arrived here on October 15 at the invitation of the Greek Government. He was accorded a red-carpet welcome upon his arrival.

Greece was Zhu's third leg in his three-nation tour which had also taken him to Spain and Egypt.

Political & Social

Beijing Reportedly To Hold Economic Plenary Session

HK2010040094 Hong Kong SING TAO JIH BAO in Chinese 18 Oct 94 p B2

[By Yin Yen (1438 1484): "Fifth Plenary Session To Be Held Soon After Fourth One To Probe Direction of Economic Reform in Next Five Years"]

[FBIS Translated Text] According to a source in Beijing, to solve the difficult economic problems that have accumulated this year and to discuss at the same time the line of thinking on drawing up the next five-year plan, the Ninth Five-Year Plan, so that the plan can be submitted to the National People's Congress [NPC], which will be held next March, for examination and approval, the CPC Central Committee has decided to hold a fifth plenary session immediately following the just-concluded Fourth Plenary Session.

The source said that the successive convocation of plenary sessions in a matter of just months has rarely been seen in CPC history. The Fourth Plenary Session, which was held at the end of last month, was scheduled to discuss economic issues, and a relevant report had even been drafted. Later on, as the health of paramount Leader Deng Xiaoping worsened and the succession issue became extremely urgent, the Political Bureau of the Central Committee decided to change the topic of discussion at the session from economic reform to "party building." The source pointed out that the difficult problems that have arisen in the mainland's economic reforms have accumulated since the beginning of this year, and the Eighth Five-Year Plan, which is currently being implemented, will end next year. As such, the CPC should achieve inner-party unity in thinking to tide over difficulties in economic reform and, at the same time, should discuss the line of thinking of the Ninth Five-Year Plan so that it can be submitted to the NPC for examination and approval next March.

It has been reported that the State Council will hold a national economic conference in Beijing in the middle ten days of next month, which will be attended by leaders of the central ministries and commissions, governors, vice governors, and leaders of some departments. After the economic conference, banking, fiscal and tax, planning, and economic restructuring departments will hold their own meetings separately to discuss ways of dealing with economic reform. The source said that party and government departments all plan to discuss economic issues at the end of this year. This shows that the mainland's economic reforms are facing numerous difficulties.

As far as the mainland's current economic situation is concerned, the source pointed out that while releasing relevant statistics in the past few days, the State Statistics Bureau has claimed that it is hopeful about successfully

achieving a soft landing, and, like the political situation, the economic situation is characterized by loosening up outwardly but tightening up inwardly.

The statistics show that the mainland's industrial production grew at an accelerated pace in the third quarter of the year. This year's gross domestic product is expected to increase by about 11.5 percent over last year, but inflation is expected to be 18 percent or higher. In the meantime, the mainland's investment scale has exceeded the goal of 1,300 billion yuan and will most probably top the warning line of 1,500 billion yuan. The problem of state-owned enterprises suffering losses has not yet been resolved.

According to the source, with regard to the Ninth Five-Year Plan, the central authorities called on 16 governors in July this year to solicit their opinions and hold initial discussions on the plan. The fifth plenary session, which will be held at the end of this year or at the beginning of next year, will discuss and establish the line of thinking on the Ninth Five-Year Plan so that the plan can be submitted to the NPC for examination and approval in March next year, and then the State Planning Commission will organize its implementation.

It has been reported that the program for China's industrial policy in the 1990's, which was discussed and adopted by the State Council in the middle ten days of June, has defined the goals and direction of the mainland's industrial restructuring and the main policy framework for achieving these goals. Therefore, when the CPC Central Committee discusses the line of thinking of the Ninth Five-Year Plan it will use this as an important reference.

From 10 to 15 October, State Council Premier Li Peng specially went to inspect Liaoning Province where the situation of state-owned enterprises suffering losses is grim. He was accompanied by Central Military Commission Vice Chairman Liu Huaqing and persons in charge of such departments as the State Planning Commission, the State Economic and Trade Commission, and the State Commission for Science, Technology, and Industry for National Defense. Taking advantage of attending the Autumn Export Commodities Fair, Vice Premier Li Lanqing inspected Guangdong. To make preparations for the party and government economic meetings, which are to be held successively at the end of this year, many leaders in Beijing have recently inspected localities to accumulate data.

The source stated that at the end of every year, meetings are held in Beijing particularly frequently. The case will be more prominent this year. Currently, the drafting of a report on the fifth plenary session is being stepped up. Some officials are worried that since the economic situation has been quite grim this year and some economic reform measures have infringed upon some provinces' vested interests, there will be acute debates at the fifth plenary session and it will be difficult to achieve unity in the line of thinking for the Ninth Five-Year Plan.

Restrictions Announced on Use of Government Cars

OW1910165494 Beijing XINHUA in English 0323
GMT 16 Oct 94

[FBIS Transcribed Text] Beijing, October 16 (XINHUA)—China's high-ranking officials should use government cars made in China, according to regulation made public here today.

The regulation, issued by the General Offices of the Chinese Communist Party Central Committee and the State Council, stipulates that such deluxe imported sedan cars as Mercedes-Benz, Lincoln and Cadillac shall be replaced by Chinese-made cars.

Every minister and provincial governor or officials of the same level shall be granted a government car. The official use of government cars by vice-ministers or vice-governors shall be guaranteed although they don't have special government cars.

According to the regulation, ministers or governors can use government cars with an exhaust volume of three litres or below, while vice-ministers or vice-governors can use cars with an exhaust volume below 2.5 litres. The cars exceeding these standards shall be replaced.

The regulation reaffirms that no locality and department is permitted to provide government cars for their leaders that break the restrictions and to import or buy cars in violation of government regulations.

Publishing House Closed 'for Rectification'

OW2010101094 Beijing XINHUA Domestic Service in Chinese 0843 GMT 20 Oct 94

[By reporter Qu Zhihong (2575 1807 4767)]

[FBIS Translated Text] Beijing, 20 Oct (XINHUA)—The State Press and Publications Administration recently ordered the Xinjiang University Publishing House to close down for rectification because it had sold a large number of book numbers for the publication of books containing serious problems. The director of the publishing house was also dismissed by the relevant department.

In recent years, the prevailing practice of buying and selling book numbers has had a very harmful effect on China's publishing undertakings. It has not only facilitated the appearance, under the legitimate cover, of large numbers of illegal publications and books with extremely unhealthy contents, but has also disrupted the normal order of book markets and corroded the ranks of publishers, causing grave concern among all sectors of society. In order to stop the unhealthy practice, the Press and Publications Administration and the Propaganda Department of the CPC Central Committee, in October 1993, jointly issued a "Circular Concerning the Ban on 'Buying and Selling Book Numbers'," which demanded publishing houses throughout the country check and

screen any problems of "buying and selling book numbers," pointing out that recurrence of problems related to "buying and selling book numbers" from the day the circular was issued should "invariably be dealt with severely."

However, since the beginning of this year, the Xinjiang University Publishing House has continued to sell a large number of book numbers for the publication of books describing pornography and violence or advocating feudal superstition. Some of the books not only contain absurd and harmful contents but also violate national foreign policy, causing a very bad influence.

The relevant administration held: Despite repeated injunctions strictly prohibiting "buying and selling book numbers," this publishing house continued to go its old way and, knowing the law, deliberately sold a large number of book numbers for the publication of books with serious problems. This is a serious case. Therefore, the Press and Publications Administration has decided that the Xinjiang University Publishing House shall stop all new publishing businesses; that the Xinjiang Uygur Autonomous Regional Press and Publications Bureau and the department in charge of this publishing house shall dispatch a joint investigation group to help the publishing house to carry out an earnest ideological and organizational rectification, and to establish and improve various rules and regulations, especially those related to title selections and the three-tier examination system of book manuscripts; and those who are responsible for the publishing house shall be given necessary punishment depending on the degree of seriousness of the case.

Jiang Zemin Inspects Sichuan, Hubei

OW1910144694 Beijing XINHUA Domestic Service in Chinese 0943 GMT 19 Oct 94

[By reporter He Ping (0149 1627)]

[FBIS Translated Text] Wuhan, 19 Oct (XINHUA)—During an inspection of Sichuan and Hubei Provinces, Jiang Zemin, general secretary of the CPC Central Committee, state president, and chairman of the Central Military Commission, emphatically pointed out: The recently convened Fourth Plenary Session of the 14th CPC Central Committee is a very important meeting, which will have far-reaching significance to further strengthening and improving party leadership and for the cause of building socialism with Chinese characteristics. As the general political principles for promoting reform, development, and stability as well as for strengthening party building have been laid, the matter of prime importance for all localities and departments now is to strive to implement, implement, and implement [luo shi luo shi zai luo shi 5507 1395 5507 1395 0375 5507 1395] these principles in the light of the actual condition of each locality or department. The key to implementing the principles lies in following the mass line. Leading cadres should immerse themselves among

the masses of people and resolutely overcome the unhealthy practices of bureaucratism, formalism, and ostentation. They should consult the masses of people whenever problems arise so as to pool their wisdom and efforts. Only by pooling the wisdom and efforts of the masses, can we succeed in everything we do. This is a truth repeatedly proven in history.

From 12 through 19 October, General Secretary Jiang Zemin successively inspected Chengdu, Chongqing, Shashi, and Wuhan; as well as the preparations for launching the Three Gorges Project, in the company of Wen Jiabao, alternate member of the Political Bureau and member of the Secretariat of the CPC Central Committee; Sichuan Provincial Party Secretary Xie Shijie, Governor Xiao Yang, and Commander Li Jiulong of the Chengdu Military Region; and Hubei Provincial Party Secretary Guan Guangfu and Commander Li Xilin of the Guangzhou Military Region.

Wherever he went, Jiang Zemin repeatedly told local leading cadres the importance of strengthening party building. He pointed out: Under the complicated and changeable international situation and in the course of setting up a socialist market economic system, the Chinese Communists are confronted with a new trying test. The "decision" adopted by the Fourth Plenary Session of the 14th CPC Central Committee has chartered the direction for the all-around strengthening and improvement of party building under the new circumstances. As long as we do a good job in party building, the party's fighting capacity, creativeness, leading and administrative skills will be greatly enhanced. We will no longer be afraid of any difficulties and risks, and our cause will be invincible.

Sichuan is a major agricultural province which, with less than 7 percent of China's total cultivated land, produces 10 percent of the total grain production in the country and feeds one-tenth of its population. On 12 October, the day Jiang Zemin arrived in Chengdu, he visited Huangzhong village, Jinniu district in the suburbs of the city. He asked village cadres in detail about vegetable varieties, prices, and sales. After learning that vegetables were transported to the city and sold directly by farmers, he spoke approvingly: Where conditions permit, it is better to sell vegetables directly to consumers. By so doing we can avoid driving up of prices by some intermediate links. He also urged local cadres to guarantee the planting acreage of food grains, cotton, and vegetables.

While listening to briefings in Sichuan and Hubei Provinces, Jiang Zemin reaffirmed the importance of agriculture. He said: To feed a population of nearly 1.2 billion has always been a major issue for the national economy and the people's livelihood. With grain, there is stability; without grain, there is confusion. The fundamental position of agriculture can never be weakened. Leading cadres at various levels should conscientiously put agriculture first in their economic work, strengthen leadership over agriculture, truly increase input in agriculture,

effectively cherish cultivated land and protect the rural economy so as to promote all-around development of the rural economy.

Along the road from Sichuan to Hubei, Jiang Zemin visited a dozen or more of medium- and large-sized state enterprises and village and town enterprises. Jiang Zemin was very pleased when he learned that many state enterprises had achieved good economic returns by tapping their inner resources and through technical transformation. He said: You have done the right thing. Old enterprises must attach great importance to technical transformation and regain their vigor via technical transformation. Deepening the reform in state enterprises and revitalizing state enterprises are major points of the current reform of the economic structure and of urban economic development. Whether state enterprises can gain new powerful strength under the new historical conditions has a direct impact on not only China's economy as a whole, but also the consolidation of the socialist system. Therefore, the reform of state enterprises must be carried out successfully and the strength of state enterprises must be reinforced. Practice has proven that so long as we truly charge the operating mechanisms, rationally readjust the structure, step up technical transformation, and improve the management level state enterprises will surely recover their vitality and play a more powerful leading role in the course of developing a socialist market economy.

Jiang Zemin also inspected some colleges, universities, and scientific research units as well as met and talked with the broad masses of teachers, students, and scientific research personnel. On the morning of 14 October, the quiet campus of Chongqing University suddenly seethed with excitement when the news of the general secretary's visit was learned. People lined the street and flocked to their windows, applauding all the while. Standing in front of the teaching building, Jiang Zemin delivered a cordial and hearty speech to experts and professors from five colleges and universities in Chongqing and the broad masses of teachers and students of Chongqing University. He noted: Science and technology are playing a more and more important role in various economic and social fields. There is no limit to the development of science and technology. To construct our country well, we have to master new knowledge and trace new technologies all the time. Everybody should resolve to dedicate himself to the service of his country, foster a firm belief in working hard for the prosperity and revitalization of his country, and acquire the spirit of dedication of an unknown hero early in life. He encouraged teachers and students to work for greater achievements in teaching and scientific research.

During his stay in Sichuan and Hubei, Jiang Zemin also visited commanders, fighters, public security officers, and officers and men of the armed police stationed in the two provinces. He demanded that the broad masses of officers and men maintain and carry forward the glorious traditions of the people's army, constantly intensify the ideological and political work in the army, and

particularly do a good work in building up grassroots units under the new conditions of reform, opening up, and the development of a socialist market economy so they will stand the test at crucial moments and make new contributions to safeguarding state security and social stability. Jiang Zemin also visited some retired army veterans.

Preparations for the Three Gorges project, which is the focus of worldwide attention, have proceeded smoothly since the Fifth Session of the Seventh National People's Congress included it in the 10-Year Program for National Economic and Social Development in 1992. From 14 to 16 October, Jiang Zemin and his entourage traveled to Yichang via Peiling, Wanxian, and Zigui from Chongqing on board the ship "Bashan." One after another, he visited areas to be flooded by the Three Gorges reservoir, areas to be developed into resettlement sites for people from flooded areas, and the dam construction site at Sandouping. He called on workers and staff members who were involved in the project's construction, and met with model workers. He conducted cordial conversations with them and solicitously inquired about their livelihood. He also heard briefings on the project's preparations. Jiang Zemin noted: The Three Gorges project can bring tremendous benefits to flood control, power generation, and navigation. It is a rare, gigantic project, not only for China but also for the rest of the world. It is a great undertaking that benefits the present and future generations. While showing courage and enthusiasm by being determined and not afraid of difficulties, we should also assume a realistic, scientific approach toward this project. Some scientific appraisals of the project still need to be intensified continuously. We should ensure the quality of all sub-projects so that they will be perfectly safe. The resettlement task related to the Three Gorges project is very arduous. We should follow the principle of development-oriented resettlement, and implement a management system with "the central authorities exercising unified leadership, the provincial authorities assuming their respective responsibilities, and the counties serving as the basis." We should give overall consideration to the project's construction, resettlement, and the development of the reservoir area, and proceed in a coordinated manner. Party and government departments at all levels should always consider the interests of people in the reservoir area, who, in turn, should take overall interests into account and show an arduous, pioneering spirit. We should make long-term scientific plans for developing the reservoir area while acting according to our capabilities and in a step-by-step manner. In sum, we should move carefully, actively, and prudently in making preparations for resettlement, fund-raising, and project design during the preconstruction stages to create good conditions for the official commencement of the construction of the Three Gorges project.

During his informal discussions with leading cadres at all levels in Sichuan and Hubei Provinces, Jiang Zemin also

pointed out emphatically: During the process of modernization, we should always pay attention to correctly handling the relationship between reform, development, and stability. We should vigorously promote spiritual civilization while pursuing material civilization. Leading cadres at all levels should seriously study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and actively, fully, and correctly implement the party's basic line. They should be good at observing and handling contradictions and problems in the course of reform and construction, keeping the overall interests in mind. They should firmly foster correct outlooks on the world and life, promote a diligent and practical workstyle, and earnestly and sincerely serve the people's interests. On questions that affect the overall interests, political direction, and fundamental principles, they should always remain level-headed and firm, strive to improve their political levels and knowledge, and unite and lead the masses to attain the magnificent goal of socialist modernization.

Leading persons of relevant departments who accompanied Jiang emin during his inspection trip included Xu Huizi, Huang Zhendong, Liu Jiang, Guo Shuyan, Hu Guangbao, and Teng Wensheng.

Vice Premier Zhu Rongji Returns to Beijing

OW2010090394 Beijing XINHUA in English 0711
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Chinese Vice Premier Zhu Rongji returned here by air today after attending the joint annual meeting of the International Monetary Fund (IMF) and the World Bank held in Madrid and paying an official visit to Spain, Egypt and Greece.

Zhu is concurrently governor of the People's Bank of China and a governor of IMF.

Zhu and his party were greeted at the airport by State Councillor and Secretary-General of the State Council Luo Gan, minister in charge of the State Economic and Trade Commission Wang Zhongyu and Vice-Minister of Foreign Affairs Liu Huaqiu.

Also present were diplomatic envoys of Spain, Egypt and Greece and leading members of the representative offices of the IMF and the World Bank in Beijing.

Li Ruihuan Denies Return of Zhao Ziyang

HK2010095794 Hong Kong CHENG MING in Chinese
No 204, 1 Oct 94 pp 13-15

[Article by Yue Shan (1471 1472): "CPC Again Refutes Rumors of 'Zhao Ziyang's Comeback'"]

[FBIS Translated Text] Li Ruihuan Talks About Zhao Ziyang's Comeback

In the No 6 issue of TUNG HSIANG this year, under the title "Distinguishing Facts From Fiction in the Rumors

About Zhao Ziyang," truths and falsehoods in the rumors about Zhao Ziyang's comeback were reported. More recently, high-level members of the CPC have also made known their views on these rumors.

On 8 September, a forum was held in the Beijing Room of the Great Hall of the People which brought together some CPPCC Standing Committee members in the capital and responsible persons from the various democratic parties. Li Ruihuan, who is a standing committee member of the CPC Central Committee Political Bureau and chairman of the national CPPCC, presided over the meeting. Wang Zhaoguo and Wu Xueqian also participated in the forum. At the forum, someone put forward the question: Is Zhao Ziyang going to make a limited comeback? Has the Central Committee made arrangements for this?

In response, Li Ruihuan noted: On the question of Zhao Ziyang, the central committee has already come to a conclusion, and this has stood the test of time. At that time there were some differences of opinion, and some people felt that he had been dealt with too lightly. Comrade Xiaoping and other comrades then came to give speeches and do some work. It cannot be denied that Zhao Ziyang's mistakes were serious and their effects and results were major. On questions of national stability, how is it possible to have one person saying one thing and other people saying another, or engaging in personal disputes? He played for time and publicized differences of opinion within the party. This resulted in the disturbances turning into, through meddling and participation by outsiders, harmful political turmoil. On the question of whether or not Zhao Ziyang is to make a comeback, the Central Committee has not made any arrangements for this. These are all rumors and conjectures by outsiders. Some are simply fabrications by various political groups and forces. We have published details of this in NEIBU CANKAO ZILIAO and JIAN BAO. Why not get the facts straight? We believe that such outdated claims are no longer worth refuting.

Zhao Ziyang's organizational links are still with organs under the CPC Central Committee Office. In his livelihood conditions, he still enjoys treatment equivalent to a political bureau member or a deputy premier. He is still a party member and thus on the political level still enjoys the conditions of a department or bureau. The Central Committee has considered having him do some work in research or documentation and has sought his views. However, he wants to lead a leisurely life. This summer, he rested at the summer resort at Chengde. External reports said that he had gone to Hunan, Hainan, Guangdong, and Sichuan. All of these were false and did not accord with the facts! Clearly, there are a small number of persons who have an interest in Zhao Ziyang. Some of these rumors derive from a lack of understanding of the internal situation, while others result from concern for the undertakings of the state. Some others are rumors created by anti-China and anticommunist forces and organizations, and their aim is to fan discontent. However, there is no market for such rumors in China. There

are a very small number of persons who made serious mistakes during the political turmoil of 1989 who are manufacturing rumors, saying that Zhao Ziyang is to make a comeback. Those pro-British forces in Hong Kong who oppose anything Chinese are not only spreading rumors that Zhao Ziyang is to make a comeback, but are also seeking the West to intervene in China's internal affairs, party matters, and judicial affairs, and they have sought the release of Bao Tong, Zhao Ziyang's confidential secretary. While we have enjoyed this performance, Bao Tong's offenses are serious and he has broken the law. It is appropriate that he should be prosecuted and punished in accordance with the law.

"People Outside the Party can Become Ministers and Provincial Governors"

At the meeting, some other people asked: Can persons outside the party become ministers or provincial governors? Why was this possible in the early 1950's but difficult now?

Li Ruihuan replied: As long as persons outside the party have the skills, have a base, and are supported by the people, it is entirely possible for them to become ministers and provincial governors. Comrade Xiaoping has repeatedly raised this question within the party. As soon as nonparty persons become ministers or provincial governors, they have duties and rights. The rights they have are the right to discuss official business and the right to make decisions within the ministry they lead or the area they govern as entrusted to them by the constitution and the upper levels. The Central Committee has given great attention to this work (referring to nonparty persons participating in government), and has already included it as a specific part of political structural reform. Not long ago, the Political Bureau discussed this question and agreed in principle that apart from the ministries of foreign affairs, national defense, public security, state security, justice, supervision, and culture, which according to the present structure and system must be headed by competent and capable CPC members, other ministries can be headed by persons outside the party. This means that heads of specialized tertiary institutions, institute heads, and persons from outside the party can be ministers.

Li Ruihuan also said: Within the party there are certainly some persons who fear the appointment of nonparty persons as ministers and provincial governors, fearing what will happen if they diverge from the party line. Why do these people not consider that once nonparty people take up posts as ministers and governors and do outstanding work, we cadres within the party should be able to modestly and earnestly study them. Premier Zhou and Comrade Xiaoping pointed out back in the 1950's that if persons outside the party take up ministerial and governor posts or posts as chairmen of regional governments, when there are obstacles to work, cadres within the party have a duty and should take up the responsibility.

Li Ruihuan Did Not Want His Words on Nonparty Personages Participating in Government Transmitted to Others

Li said: Today, the "Leftist" ideological tide within the party still exists. When we speak of upholding leadership by the party, it refers to formulating the line and deciding on major principles, policies, and measures. It does not mean that every region and every department must have a Communist Party member as its head and deputy and that everything is subject to the say of Communist Party members. That goes against the democratic centralism of the Communist Party, and could be said to be one-party dictatorship.

On 10 September, the CPC Central Committee Office published Li Ruihuan's speech of 8 September in JIAN BAO. However, on the same day, the CPPCC Office and the United Front Department notified the persons who participated in the meeting that Chairman Li Ruihuan had requested that his speech on the question of whether or not persons outside the party can serve as ministers and provincial governors should not be spread to others to avoid misunderstandings.

Qiao Shi: Publicizing Zhao Ziyang's Situation Will Affect Internal Unity

At about the same time, in a rest period during the Ninth Session of the Eighth NPC Standing Committee, Qiao Shi, while talking with the NPC Standing Committee, also spoke about Zhao Ziyang. He said: The resolution, handling and deciding of the Zhao Ziyang issue was determined by the special circumstances at that time. The Central Committee considered these special circumstances, and its current arrangements are also related to the special circumstances. Speaking on the organizational level, there has always been a correct, fact-seeking conclusion which is accepted by the majority of party members. Some of the circumstances of the case cannot be made public, because if they were publicized they would affect unity. On the question of whether Zhao Ziyang should take on some work, the Central Committee has studied this and unanimously considered it inappropriate. This is a decision of the Central Committee.

No Effort Spared in Eliminating Influence of Zhao Ziyang

It can be said that the CPC authorities have spared no effort in freezing out Zhao Ziyang. On the one hand, high-level party members have come out to repeatedly "refute rumors" and clearly state the position. On the other hand, in a 1001 ways, they have been eliminating the influence of Zhao Ziyang at the basic level. On 20 June this year, the CPC Central Committee Office and the State Council Office issued a notice: Except where they relate to party history, national affairs, or current affairs, all photographs, video recordings and sound recordings of Zhao Ziyang visiting, inspecting, or participating in meetings in any region are to be sealed and

retained by the provincial discipline inspection committee and the supervision committee. Inscriptions relating to Zhao Ziyang mounted in rooms, exhibition halls, work units, and organs have all been removed. All photographs in which he is pictured together with local cadres and the masses have been removed from public sale and have been examined and handled by provincial-level departments.

Intriguing 'Zhao Ziyang Phenomenon'

Since the "4 June" coup, when Zhao Ziyang stepped down for some obscure reason, the calls from various sides for his return have been endless. However, the CPC authorities have repeatedly just "refuted the rumors" and frozen him out. Yet, after the "refuting of rumors" and the freeing out, the calls arise like before. Then, following the calls, there is a further freezing out. This goes on in a circle, and on the CPC political stage this has formed the intriguing "Zhao Ziyang phenomenon."

The facts are not, however, as Li Ruihuan said. The calls for Zhao Ziyang's return do not come from a very small number of people or any hostile forces. If the situation was this simple, it would not be necessary for high-level CPC figures to repeatedly come out to "refute rumors" and declare the position. And there would not be any purpose in "eliminating" Zhao Ziyang's photographs, inscriptions, recordings, video recordings, and even writings about him.

The real nature of the problem is that the calls for Zhao Ziyang's return express the "party's heart" and the "people's heart."

Calls for Zhao Ziyang's Return Will Not Cease

The broad number of CPC members and the broad number of the masses understand very clearly that Zhao Ziyang's stepping down at that time was the result of factors behind the scenes. People remember like it was yesterday Zhao Ziyang's last appearance in the early morning of 19 May 1989, when he went to see the hunger strikers who had already entered their seventh day. We saw on television that his face was grey like death, his eyes were dark, and his lips were white. With a trembling voice, he sadly urged the students to end their hunger strike, and, in his marked Henan accent said: "I am already old. I do not matter!" About 12 hours after Zhao Ziyang saw the hunger striking students and said these words, a so-called "major meeting of leading party, government, and Army cadres" was convened in Beijing, but Zhao Ziyang did not attend. In fact, after he had returned to Zhongnanhai after seeing the students, he was placed under house arrest and deprived of his liberty. According to what was revealed by Zhao Ziyang in his "Words in Self Defense," the Political Bureau Standing Committee held a meeting at Deng Xiaoping's home and decided to deploy the armed forces to enter Beijing and implement a crackdown. However, the Army had actually received orders to move its forces into Beijing long before. Otherwise, it would have been

impossible for 100,000 troops to have surrounded Beijing by the nineteenth. This shows that at that time, Deng Xiaoping, chairman of the Central Military Commission, had deployed troops behind the back of the party general secretary Zhao Ziyang. Now, Deng Xiaoping repeatedly says that the gun must serve the party rather than guide the party. However, then he actually used guns to command the party and to trample on the party and used guns to get the party general secretary to step down.

Will you, leading figures of the CPC authorities, clearly explain this issue to the broad number of party members and people? If you do not provide a clear explanation, the calls for Zhao Ziyang will never stop. The "heart of the party" and the "heart of the people" cannot be cheated.

These calls have become a sore point for the high-level CPC authorities. Thus, as soon as there is a call, they immediately state the position and "refute rumors." However, they always avoid the issue written about in this article—the true cause of Zhao Ziyang stepping down. They just repeatedly talk about how serious Zhao's mistakes were, how some of them cannot be publicized, how his punishment was light, how Deng came to speak on his behalf at an early stage, and so on. However, these hackneyed phrases cannot convince people and thus the calls will continue.

This is the intriguing "Zhao Ziyang phenomenon."

Li Lanqing Links Education, Economic Reform

OW2010082794 Beijing XINHUA in English 0821 GMT 20 Oct 94

[FBIS Transcribed Text] Xiamen, October 20 (XINHUA)—To promote higher-learning education and cultivate more high-level personnel has become a must for China to further improve its investment environment, Chinese Vice-Premier Li Lanqing said here Wednesday [19 October].

Li, who is also a member of the Political Bureau of the Central Committee of the Communist Party of China, made the remark when he was taking part in a meeting commemorating the 120th birthday of Tan Kah-kee, a patriotic Overseas Chinese who helped China start a series of educational undertakings before he died in 1961.

The vice-premier first briefed the attendants, including Tan's relatives and overseas personages, on the current economic situation and investment environment in China.

He stressed that China must steadfastly implement its reform and opening-up policies and at the same time continue improving its investment conditions.

One of the most urgent tasks China faces is to cultivate and bring about more well-trained and qualified personnel, as such personnel are still in bad need despite recent efforts in the field.

"High-level education can cultivate qualified personnel and bring about high-level economic development," Li noted.

He thanked overseas Chinese and compatriots for their contribution to China's education cause and called for carrying forward the spirit of Tan, who started funding the "Jimei Education Village" here more than half a century ago.

The "village" has over the past decades developed into an education compound with a number of kindergartens, more than 70 primary and junior and senior middle schools and five institutions of higher education.

Yesterday, Li attended the inauguration ceremony of the Jimei University, whose establishment was an unfulfilled wish of Tan.

The university is composed by an industry and commerce management institute, an engineering institute, an adults education institute, a biotechnology engineering department, a foreign languages department and a tourism science department.

Politburo Member Wei Jianxing on Anticorruption Work

HK2010081594 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 14 Oct 94

[FBIS Translated Excerpt] From 4 to 14 October, Wei Jianxing, member of the CPC Central Committee's Political Bureau, member of the CPC Central Committee's Secretariat, secretary of the Central Discipline Inspection Commission, and chairman of the All-China Federation of Trade Unions, inspected the results of the battle against corruption and the effort to propagate the Labor Law in Chenzhou Prefecture and the cities of Hengyang, Xiangtan, Zhuzhou, and Changsha. Wherever he went, Wei Jianxing visited cadres and staff members in discipline inspection and supervisory institutions and trade union organizations.

After this inspection, Wei Jianxing pointed out: The provincial party committee is firm in combating corruption and is conscientious about doing this work. Over the past year, Hunan has made achievements in combating corruption and the discipline inspection and supervisory institutions have taken the initiative in combating corruption. The province got an early start in combating corruption and has gained some good experience. I hope they will keep up this good work, deepen the battle against corruption, and make further achievements.

On the issue of cadres practicing cleanliness and self-discipline, Wei Jianxing said: The Central Committee has urged the leading cadres to practice cleanliness and self-discipline. Most of our comrades have met this requirement, but a small number of people still have a weak understanding of it, and their problems cannot be resolved through self-discipline. The problem of leading cadres not following the standards for using cars must be

considered from the political angle. There can be no special consideration; rather, the Central Committee's requirements must be resolutely met. Those who have exceeded the standards for using cars must have their cars replaced. There can be no ambiguity in this respect; there can be no differences among localities or trades; and there will be no exceptions for banking, foreign affairs, or foreign economic departments. First of all, the top leaders must take the lead; they must not resort to deception or think they will be able to use deluxe cars again after this tense period is over. We must put an end to extravagant eating and drinking. Foreign wine, brand-name wine, and expensive dishes must not be served at dinner parties.

Wei Jianxing continued: Combating corruption is an important task for the entire party. The entire party must devote its efforts to this, and all levels of leaders must raise their consciousness in performing this task in a down-to-earth manner. [passage omitted]

Wei Jianxing pointed out: The Labor Law protects the masses' legitimate interests. Rights and duties must be integrated. Trade unions must implement the Labor Law, promote trade union work, push forward trade union work reform, and make a success of trade union work.

Hu Jintao Briefs Central School on 4th Plenum

OW1910120994 Beijing XINHUA Domestic Service in Chinese 1435 GMT 14 Oct 94

[FBIS Translated Text] Beijing, 14 Oct (XINHUA)—Hu Jintao, member of the Political Bureau Standing Committee and Secretariat of the CPC Central Committee and president of the Central Party School, today delivered an important speech at the graduation ceremony of a class for the special study of party building by cadres at the provincial or ministerial level. He stressed: To study and implement the decision of the Fourth Plenary Session of the 14th CPC Central Committee, we must act according to the overall plan made by the Central Committee for strengthening party building, vigorously build the party while continuing to effectively carry out its ideological construction and improve its work style, and combine the three organically; and push this new, great undertaking forward in an all-around way.

The class for the special study of party building by cadres at the provincial or ministerial level, sponsored by the Central Party School and the Organization Department of the party Central Committee, opened at the Central Party School on 15 September and ended today. Fifty-three leading cadres at the provincial or ministerial level from various provinces, autonomous regions, municipalities directly under the central government, departments under the party Central Committee and State Council, and the armed forces, studied Comrade Deng Xiaoping's expositions on the building of a ruling party in the new period; and, integrating theory with practice, discussed several major questions on further strengthening party

building, especially organizational building, in an all-around way in the new situation.

Hu Jintao said: The Fourth Plenary Session of the 14th CPC Central Committee was an important meeting of overall and far-reaching significance held in a critical period for reform, opening up, and modernization in our country. Guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the guidelines of the 14th party congress, the "Decision of the CPC Central Committee Concerning Some Major Issues on Strengthening Party Building" made by the plenary session clearly set the main tasks, guiding principles, work methods, and major measures for party building, especially for organizational building, forming the overall plan for strengthening party building in the new situation. This decision is a programmatic document for strengthening and improving party building in the new period. We must profoundly study the plenary session's document, grasp its essence, and unify the thinking of the whole party according to the basic guidelines laid down in the "decision." At the same time, party committees at all levels should carefully organize party members to effectively implement the "decision."

In his speech, Hu Jintao expounded this new, great undertaking of party building for the new period. He pointed out: In the special historical conditions of old China's semicolonial and semifeudal society, the first-generation central leading collective with Comrade Mao Zedong as the core formulated a correct political line by integrating the fundamental tenets of Marxism with the practice of the Chinese Revolution; creatively solved a series of questions on party building; and built the vanguard of the working class which was unified and cemented in unity, practiced rigorous discipline, and displayed heroism in seizing victories—this was a great exploit almost without precedence in the political history of the world, a "great undertaking." It was because we had this party that we were able to lead the people in accomplishing the new democratic revolution, establish the basic socialist system, and make tremendous achievements in socialist construction.

[paragraph continues] Hu Jintao said: At a time when drastic changes are taking place in the world and great changes are being achieved in China's reform, opening up, and modernization, it is a new, unprecedented topic, task, or undertaking to further building our party with a membership of 54 million so that it can meet the requirements of leading the drive for socialist modernization. Integrating the fundamentals of Marxism with the realities of contemporary China and the salient features of the times, the second-generation central leading collective with Comrade Deng Xiaoping as the core, while establishing and implementing a correct political line, strengthened party building according to the party's basic line and made tremendous achievements in this regard; thus expediting big progress in the party's ideological, theoretical, political, and organizational building, improving its work style, and starting the

course of a new, great undertaking. The great achievements our country has made since the start of reform and opening up, which has attracted worldwide attention, are inseparable from the achievements in party building. Inheriting, enriching, and developing Comrade Mao Zedong's theory on party building, Comrade Deng Xiaoping has comprehensively and systematically put forward a theory for party building in the new period, pointing out the direction in which party building should be strengthened. Under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, the whole party is carrying forward its cause, forging ahead into the future, and vigorously pushing forward the new, great undertaking.

After reviewing the party's history, Hu Jintao said: Practice has proved the CPC is a Marxist party with a strong fighting capability and, as the party in power, it has lived up to the trust and expectations of the people. On the vast land of China, only the Communist Party can shoulder the heavy leading responsibility of building our country into a prosperous, powerful, democratic, civilized, and modern socialist nation. The practical experience the party has gained over many years shows us the party must vigorously strengthen itself in the light of its political line, while leading the revolution or construction. Whenever party building is carried out correctly and effectively, China's revolution and construction develop victoriously; otherwise, China's revolution and construction take a tortuous path and suffer losses. Since our party became the ruling party throughout the country and began to lead the historic mission of revitalizing China, the question of party building has been closely related to the country's future and nation's destiny. In the entirely new cause of building socialism with Chinese characteristics, party building means the building of the command and the vanguard, which has a bearing on construction in all other undertakings. Party building is construction of a critical nature that helps solve development problems and promote historical progress in China.

Hu Jintao stressed: In studying party building or working in this regard, we must broaden our horizons, have the domestic and international environments in view, and link them closely with the great historic mission being undertaken by our party. He said: A broad view of the domestic and international situations shows that they both are in an important historical period of great change. Whether or not China can seize opportunities, meet challenges, and gain a greater initiative in the course of historic changes taking place in the world depends on our work, first of all, on how well we can handle China's affairs. The key to doing so lies in strengthening party leadership and building our party better. In the course of the great changes brought about by reform and opening up in our country, our party which shoulders heavy, historic responsibilities must strengthen itself. All party members, especially leading cadres at all levels, must fully understand the importance and urgency of strengthening and improving party

building, and further enhance their consciousness and steadfastness in carrying out party building effectively. Only thus will we be able to efficiently carry out the tasks and requirements set forth in the "decision."

Hu Jintao pointed out: The party's ideological building, organizational building, and work style improvement are an integrated issue; they are interrelated and promote one another, constituting the basic content of this new, great undertaking. The building of one thing will be related to and must depend on the other two. Therefore, party building must be considered as systems engineering and be grasped in an all-around manner in order to gain good results. Since the 14th CPC National Congress, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, our party has done a lot of work in adhering to and implementing the party's basic line, and in promoting ideological building, organizational building, and work style improvement, and has achieved positive results. Our party has put forward clear demands on ideological building and the improvement of work style, and has made specific arrangements. Judging from the actual situation of the party's organizational building and from the developing trend and tasks, strengthening organizational building at present has become a prominent link. The Fourth Plenary Session of the 14th CPC Central Committee laid stress on studying the work of strengthening the party's organizational building, particularly the three issues of democratic centralism, the party's organizational building at the grass-roots level, and the training and promotion of cadres, and made arrangements for the work. This is completely necessary and timely. In this way, the session has made an integrated plan for party building in an all-around way by promoting the party's ideological building, organizational building, and the improvement of work style, which are interrelated under the new situation. In implementing the decision of the Fourth Plenary Session of the 14th CPC Central Committee and grasping the prominent link of the party's organizational building, we must not overlook or slacken our efforts in ideological building and improving work style.

Hu Jintao emphatically pointed out: Effectively studying and implementing the "decision" of the fourth plenary session is of fundamental importance and concerns the overall situation. He put forward five opinions in this regard:

(1) It is necessary to organize leading cadres at various levels and all party members to conscientiously study the "decision" and integrate it with the study of Comrade Deng Xiaoping's theory on party building. It is necessary to seriously study and penetratingly understand the guidelines of the document with our practical experiences over more than a decade. It is necessary to raise our ideological understanding, do a good job in publicizing the "decision," and guide and promote the deep-going development of the study.

(2) Various localities and departments should, based on the requirement of the "decision," formulate specific goals and measures in light of their actual conditions, and carry out various tasks set by the "decision" in a concrete manner. It is necessary to make in-depth investigation and study, correctly tackle shortcomings and problems in party building, especially the party's organizational building, in their respective localities and departments. We should grasp key issues, and effectively implement measures, systems, and methods we have formulated and established.

(3) We should carry out our work in a solid manner, and consider the process of implementing the "decision" as a process of effectively solving the principal problems of party building in respective localities and departments. We should be bold in tackling contradictions, and adopt effective measures to solve existing problems one by one.

(4) Party committees at various levels should strengthen their leadership over the study and truly understand that it is related to the overall situation. Party committees should take good care of and strictly administer party affairs. In particular, the principal leading comrades of party committees should personally tackle various problems. Party committees at the higher level should strengthen their supervision and inspection of the work of party committees at the lower level. They should go into reality and down to the grass-roots units to understand and help solve problems in implementing the "decision." They should use their experience to guide the work of the entire area, and each level should guide and promote the work of the next lower level.

(5) We should closely link the implementation of the "decision" with the present work of deepening reform, opening up wider, promoting development, and maintaining stability, and strengthening and improving party building in the course of our practice. We should train leading cadres at various levels and raise their ideological level and leading ability. We should give full play to the role of party organizations at the grass-roots level and the broad masses of party members in reform and construction, and integrate the study and implementation of the guidelines of the plenary session with our current work. In this way, study and work can promote each other.

Today's graduation ceremony was presided over by Su Xin, vice president of the Central Party School. Responsible persons of the concerned departments of the party Central Committee, including Lu Feng, Zhao Zongnai, and Gong Yuzhi attended the graduation ceremony.

Wan Li To Provide 'Imperial Escort' for Deng Reforms

HK2010051394 Hong Kong SOUTH CHINA MORNING POST in English 20 Oct 94 pp 1, 12

[By Willy Wo-lap Lam]

[FBIS Transcribed Text] The power struggle in Beijing has taken an intriguing turn as patriarch Deng Xiaoping has entrusted close aides—including elder Wan Li—to ensure the progress of reform after his death. And President Jiang Zemin, seen as pursuing an agenda somewhat different from Mr Deng's, has taken extraordinary moves to consolidate his hold over the Army.

Several influential party veterans have also become active in an apparent effort to enhance the position of their proteges in the post-Deng era.

Chinese sources said yesterday that Mr Wan, 78, about the only senior politician to have frequent access to Mr Deng, had been asked by the patriarch to "provide an imperial escort for reform". A former chairman of the National People's Congress Mr Wan is a leader of the Communist Party's liberal wing.

In the past few months, Mr Wan, also a former vice premier, has re-established links with fellow liberals, including former associates of ousted party chiefs Hu Yaobang and Zhao Ziyang. The sources said Mr Wan would soon publish his collected works of articles and speeches, which were aimed at giving a new momentum to reform. The pieces concentrate on policies first raised by Mr Deng such as the rural contract responsibility system, restructuring state enterprises, and "rendering decision-making more scientific and democratic". It is understood that Mr Wan has also vowed to ensure the political fortunes of members of the Deng household and the Deng Xiaoping Office.

The efforts of Mr Deng's aide-de-camp, General Wang Ruilin, head of the Deng Office, to consolidate control over the People's Liberation Army (PLA) were recently frustrated. PLA sources said a number of senior generals had opposed Mr Deng's effort to promote General Wang as Secretary-General of the policy-making Central Military Commission (CMC), of which President Jiang is chairman. Meanwhile, Mr Jiang has, often independently of Mr Deng's arrangements, manoeuvred to boost his power base in the PLA.

While touring Sichuan and Hubei the past week, Mr Jiang appealed to the top brass and ordinary soldiers to rally around himself as the "core" of the post-Deng leadership. Senior PLA officers who were with Mr Jiang included Defence Minister General Chi Haotian, the two vice chiefs of the General Staff, General Xu Huiqi and General Li Jing; and the commanders of the Chengdu and Guangzhou military regions, generals Li Jiulong and Li Xilin.

XINHUA quoted Mr Jiang as asking the officers to make contributions towards "maintaining state security and social stability". Analysts said these were code words for ensuring that the dominant faction in the party, headed by Mr Jiang, would stay in power. They said Mr Deng was mainly counting on two aged generals, Liu Huaqing and Zheng Zhen, both CMC vice-chairmen, to help protect his interests.

General Liu, 78, also a member of the Politburo Standing Committee, has recently extended his influence beyond military affairs. The army strongman has tried to co-opt up-and-coming officials, academics and journalists through his son-in-law Pan Yue.

Mr Pan, a vice-chief of the State Land Bureau and a former journalist, has been active in establishing ties with the offspring of senior cadres.

Profile of Central Military Commission's Zhang Zhen

HK2010083994 Hong Kong TA KUNG PAO in Chinese 28 Sep 94 p 49

[By Wang Xiaopeng [3769 7197 7720]: "Brief Biography of Zhang Zhen"]

[FBIS Translated Text] Zhang Zhen, born in October 1914, is a native of Jiangping, Hunan Province. He joined the Communist Youth League in April 1930, transferred to the CPC in July 1930, and joined the Chinese Workers and Peasants Red Army in May 1930. He graduated from the Department of Military Campaigns of People's Liberation Army (PLA) Nanjing Military Academy; tertiary-level education; and holds the military title of general. He served in the Fifth Red Army as propagandist of First Division, head of propaganda team of First Regiment, political commissar of a company, and clerical officer of division command 1930-1934. He served in the Fourth Division of the First Red Army Group as head of communications of the 10th Regiment and commander of the Third Battalion, and in the First Red Army Group as staff officer of the Fourth Division and chief of staff of the 12th Regiment, 1934-1937. Zhang carried out united front work for the party under Peng Xuefeng in Taiyuan and served as a staff officer of the Eighth Route Army headquarters, staff officer and section head of Eight Route Army's office in Shanxi, chief of staff of Military Affairs Department of Henan Provincial CPC Committee, chief of staff of Guerrilla Detachment of the New Fourth Army, chief of staff of the Sixth Detachment of New Fourth Army, Commander of the Security Command of the Henan-Anhui-Jiangsu Border Region, chief of staff of the Fourth Column of 18th Group Army, chief of staff of Fourth Division of New Fourth Army and concurrently commander of 11th Brigade and Commander of Western Route of Huaibei Military District, 1937-45. He served as Ninth Column commander and political commissar of Central China Field Army, Second Column deputy commander and Western Front Army Corps chief of staff of East China Field Army, deputy army chief of staff and Third Field Army chief of staff of East China Field Army, 1945-49. (He served as the Chief of staff of East China Military Area Command and concurrently chief of staff of Third Field Army, 1948-52. He served as director of Military Operations of the Central Military Commission, acting army commander and political commissar of 24th Army of the Chinese People's Volunteers, 1952-54. (He studied in the Department of Military Campaigns, PLA Nanjing Military

Academy, 1954-57.) He was the vice president and president, PLA Nanjing Military Academy, 1957-66. He came under attack during the Cultural Revolution and assigned to labor in Wuhan Iron and Steel Company, 1966-70. He served as deputy commander of Wuhan Military Region, political commissar of Gezhouba Water Conservancy Project Command, 1970-75. He served as deputy director and director PLA General Logistics Department and member of Central Military Commission, 1975-80. He served as PLA deputy chief of staff from 1980 to 85 as well as concurrently as president and political commissar of the National Defense University, 1985-92.

He was an alternate member of the 11th CPC Central Committee; member of 12th CPC Central Committee; elected additional member of Central Advisory Commission at 1985 National CPC Congress; member of Central Advisory Commission, 13th National CPC Congress; and member of the 14th CPC Central Committee.

He was elected vice chairman of the Central Military Commission at the First Plenary Session of 14th CPC Central Committee in October 1992, and was elected vice chairman of the State Military Affairs Commission at the First Session of Eighth National People's Congress in March 1993.

More on Zhang Zhen

HK2010085694 Hong Kong TA KUNG PAO in Chinese 28 Sep 94 p 49

["Chinese Celebrity" column by Wang Xiaopeng (3769 7197 7720): "Learned and Gentle Scholar, Awe-Inspiring General—Interviewing General Zhang Zhen, Vice Chairman of the Central Military Commission"]

[FBIS Translated Text] Before interviewing General Zhang Zhen, I tried to look for background materials and press coverage on the general. I found little. All that I found in the computer database in the information center was a biographical sketch published along with his appointment as vice chairman of the Central Military Commission, as well as some sketchy reports on public appearances.

It is generally quite difficult for the press to get in touch with a senior leader of the Chinese Army. This is a "customary practice in defense matters," and one often associates the military with "confidentiality."

However, when I walked into General Zhang's office and shook hands with the general, the pressure of "confidentiality" that had been weighing heavy on my mind suddenly disappeared.

Mother, Comrades-in-Arms

He had the awe-inspiring stature of a soldier, but the gentle charm of a scholar.

The tall, sturdy and energetic-looking general walked in great strides toward me and greeted me with warm words

of welcome. His white hair, heavy accent, and smile gave me the impression that he was a very sincere, kind, and warm person.

The general is a native of Pingjiang, Hunan Province. As deputy leader of the working boy scouts in his village, 12-year-old Zhang Zhen led members of his team in fighting gambling and opium-smoking and took part twice in the "Pingjiang riot against the city establishment." In May 1930, before he turned 16, he left his parents who made a living weaving bamboo ware and joined the ranks of the revolution. An only son, he never saw his father again. His last impression of his father was his wrinkled face and his veined and calloused hands.

After 19 years, the general, who had by then become a senior PLA officer, carried his white-haired and shabbily dressed mother on his back down from a steamer at Nanjing's Xiaguan Pier. He always had his mother in mind. The reunion was made possible by a veteran leader, Huang Kecheng, then secretary of the Hunan Provincial CPC Committee. When Huang Kecheng's men found his mother in Pingjiang, she was living alone in a wartime bunker. Years of difficulties had not destroyed the will of this soldier's mother, and she lived on tenaciously.

The general could not forget his mother and still less could he forget his comrades-in-arms who fought by his side and sacrificed their lives for their country.

In April this year, the general returned to the place where he once fought. For a long time his eyes were glued to the old headquarters and memorial hall of the New Fourth Army at Yancheng. The general, who 53 years ago was chief of staff of the Fourth Division, New Fourth Army, stood in front of the portraits of cadres at and above regiment level who laid down their lives for the country, murmuring each of their names. At the cemetery of martyrs of the Fourth Division, New Fourth Army, at Bancheng, the 80-year-old general stood in front of the graves of the war dead for what seemed an indeterminable time, overcome with grief. He spent a good hour and a half reading the headstones one by one, pointing out mistakes as soon as he spotted misused characters. With deep emotion, the general said: The New Fourth Army fought hard against the Japanese for eight long years with poor weapons and little ammunition. What did they rely on to win? They relied on the correct leadership of the party Central Committee, the wise decisions of Chairman Mao, the great support of the people, and their own fine revolutionary tradition.

Sitting in a plain and simple office, with the forthright and ruddy general before me, my thoughts drifted between history and reality. I asked the general: What do you think is the most intrinsic quality of this Army with a glorious history of 67 years?

System, Persons of Ability

The general thought for a moment, ran his fingers through his hair, and replied in a raised voice: "With my

64 years of experience in this Army, I am convinced that upholding the absolute leadership of the party is the core of the fine tradition of our Army. It was precisely thanks to the party's leadership that this Army of ours was able to develop from scratch and grow from strength and strong through battle.

"During the protracted years of revolutionary struggle, our Army developed a set of basic systems for the party's absolute leadership over the Army. We must always adhere to this system. We must resolutely implement the party's program and its line, principles, and policies, and we must listen to the party and follow the party at all times and under all circumstances.

In the new historical period, we have to arm the whole Army with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, unswervingly uphold the party's basic line for 100 years, obey the orders of the party Central Committee with Jiang Zemin at the core in all our actions, and be staunch defenders and model enforcers of the party's line, principles, and policies. 'Seizing the opportunity to deepen the reforms, widening the scope of opening up, promoting development and maintaining stability' is the paramount task for the whole party and the whole country. As the strong pillar of the people's democratic dictatorship, our Army must clearly recognize our historical responsibility, safeguard the overall situation of party work, and provide a strong and safe guarantee for reform, opening up, and socialist modernization."

These remarks of the general not only conveyed his own personal feelings but revealed the fundamental reason for the development of this Army from a small force.

Looking at maps of China and the world on the wall, I asked: "With the development of modern science and technology, many countries are stepping up their modernization and building up their ability to cope with modern warfare. Our country has also made much headway improving the quality of its armed forces in recent years. What do you think the overall objective for the strengthening of the PLA's military capability should include?"

General Zhang Zhen said: "The party Central Committee and Central Military Commission have all along attached great importance to strengthening military capability. Comrade Deng Xiaoping put forward the general objective of building our Army into a strong, modernized and regular revolutionary Army, and Chairman Jiang Zemin put forward the overall demand that armymen must 'be politically and militarily up to the mark, show a fine style of work, observe strict discipline and be capable of providing a strong safeguard.' They clearly pointed out the direction for our army building. Our Army is still at a low level of modernization and falls short of the requirements of modern war. This is the main problem we have to tackle in our army building. We must persist in taking modernization as our central task, pay attention to the strengthening of military capability, and follow the road of

building crack troops with Chinese characteristics. Of course, our defense capability is of a defensive nature and will never pose a threat to other countries."

General Zhang Zhen has been responsible for military education since the founding of the People's Republic. As president and concurrently political commissar of the National Defense University between 1985 and 1992, he deeply understood the importance of training senior military leaders in the modernization of the Army. He said: "In the modernization of the Army, persons of ability are the key link. Comrade Deng Xiaoping has said a lot on the selection and training of persons of ability. Chairman Jiang Zemin recently reemphasized the importance of striving to improve the quality of senior and middle-ranking cadres and training a large number of qualified commanders. Chairman Jiang also said: Persons of ability are the foundation of government; they are also the foundation in the building and running of the Army. This is a very incisive remark. If your strategies are superior to those of others, there is no need to worry about anything. However modernized our weapons and equipment may be, the decisive factor in winning a battle still lies in people, particularly the resourcefulness and art of command on the part of our commanders. These days everyone says that economic and technological competition among nations is essentially a competition of human resources. The same is true of military competition. The modernization of our Army's weapons and equipment depends not only on the strengthening of our overall national strength, but also on the training of high-tech personnel and on giving them full scope. Although our weapons and equipment are still quite backward, as long as we have persons of ability, we have hope."

In the course of the interview, the veteran general struck me as a fast-thinking and forthright person who speaks clearly and to the point, the way a general should. He often uses powerful gestures to emphasize his point, and every word he said sounded firm and resolute like a command.

The qualities of a military person are evident in General Zhang Zhen. He appears so resourceful and full of vitality that no one would have guessed that he is already 80-years old.

Stationing of Troops in Hong Kong, Education

It was precisely this demeanor of a military man that encouraged me to ask a realistic though sensitive question: "With the approach of 1997, the people of Hong Kong are concerned about the stationing of PLA troops in Hong Kong. Not long ago, some Hong Kong papers reported news about the stepping up of selection and training of PLA troops to be stationed in Hong Kong. Can you say a few words on this?"

General Zhang Zhen said: "The Chinese Government will resume the exercise of sovereignty over Hong Kong on 1 July 1997. This will be an important moment in

modern Chinese history and world history. The resolution of the Hong Kong question according to the 'one country, two systems' concept is a great pioneering move by Comrade Deng Xiaoping. The 'Basic Law of the Hong Kong Special Administration Region of the PRC' stipulates that 'the Hong Kong Special Administrative Region shall be a local administrative region of the PRC, which shall enjoy a high degree of autonomy and come directly under the Central People's Government,' and that 'The Central People's Government shall be responsible for the defense of the Hong Kong Special Administrative Region.' When the time comes, the PLA will station crack troops in Hong Kong. In stationing troops in Hong Kong, the central people's government intends to show the world China's sovereignty over Hong Kong, uphold national unity and territorial integrity, and provide a safe guarantee for the long-term prosperity and stability of Hong Kong. At present, we are in the process of building the future garrison and stepping up various preparations. In addition to stringent military training, we are mainly concerned with their education. First, we are giving them education on the fundamental aims and fine traditions of our Army in wholeheartedly serving the people, so that all officers and men stationed in Hong Kong will firmly embrace the idea of serving the people of Hong Kong. Second, we are giving them vocational education relevant to their garrison duties. In this way, they will understand and love Hong Kong, strictly abide by the relevant laws and regulations, and make concrete contributions to the long-term prosperity and stability of Hong Kong."

Awe-Inspiring yet Humble

The general inspires awe, but he is also a humble person. During the interview he said very little about his personal merits and achievements. When asked how many senior military personnel he had trained as president of the National Defense University, he replied in his heavy Hunan accent with a wave of his hand: "The principle has been laid down by the party Central Committee and the Central Military Commission, and the work is done by everyone. I cannot take credit for the good work."

The general does not keep account of his merits, but he keeps a diary. The general has had the habit of writing a diary since the days of the Red Army. Nowadays, the general sorts out the events of the previous day and has them recorded in writing every morning. His diaries are placed in the safe hands his wife, a long-time comrade-in-arms who joined the revolution in 1938.

What the general records are not only his personal experiences, but is also the glorious history of the PLA in shedding blood and achieving one merit after another, and history will never be forgotten.

During the interview, I asked the general to say something about his own combat life. "I am just an old fighter of the People's Army," he replied quietly. The general summed up his whole life in just one sentence.

Simplicity is most revealing. It is understood that a chop most cherished by the general is one bearing four engraved characters which mean "an ordinary soldier."

It is foolish to think that position and title can win one respect and love.

The qualities which show the general's status and merits are not the glittering stars on his shoulders, but his staunch will, his life-long fighting goals, and his bold and resolute demeanor as a soldier. Through his years as a soldier, company political commissar, battalion commander, regimental chief of staff, division chief of staff, column commander, chief of staff of the Third Field Army...and through sanguinary and fiery struggles between life and death, righteousness and evil, brightness and darkness, the general cultivated his unbending character, open-mindedness, optimism, and down-to-earth qualities.

When people see or read reports about the general on television or in newspapers, he is always dressed in his trim uniform. Even when he is on inspection tours, he will only wear a buttoned-up tunic and trousers, and he looks stately and eye-catching among a crowd in Western-style suits.

The general leads a frugal life. His vast office only has an ordinary conference table and some sofas. Behind his desk are bookshelves full of books. There are maps of China and the world on the wall opposite his desk.

The four seas and the five continents are right there before him. The general's words are brimming with the vitality and optimism of a communist. He said: "We must firmly believe in the party. Some people may regard this as cliché, but this is what I truly believe in. Whatever the difficulties or problems, the Communist Party will definitely emerge triumphant. This is determined by the aim of the Communist Party and has been proven time and again by history and practice."

Justice Minister Speech on People's Congress

*HK2010100194 Beijing FAZHI RIBAO in Chinese 15
Sep 94 p 2*

[“Excerpts” of a speech by Xiao Yang (5135 2254), minister of justice, at the Seminar on Theoretical Study and Propaganda of the People's Congress System: “Propagate the People's Congress System and Strengthen Construction of Democratic Legal System”]

[FBIS Translated Text] To forcefully propagate the people's congress system is an important aspect of China's propaganda and education in legal systems. To conduct propaganda and education on legal systems in close coordination with the practice of the country's construction of democracy and the legal system and to strengthen constantly the cadres' and masses' democratic awareness and legal concepts are fundamental aspects of China's construction of a democratic legal system. They are

important tasks raised by the 14th CPC National Congress for developing socialist democracy and the legal system. Since the Third Plenary Session of the 11th CPC Central Committee, as competent government organizations in charge of legal system propaganda work, the judicial administration organs—under the leadership of the party Central Committee and the State Council, under the supervision of the National People's Congress [NPC], and in close coordination with the great practice of building socialism with Chinese characteristics—have actively organized and conducted propaganda and education on the legal system, with the constitution as its core, and especially forcefully propagated the various concrete contents of the people's congress system, propagated the concept of the people as the masters of the country, and propagated the various laws and legal regulations formulated by the NPC and its Standing Committee. In the first and second five-year activities to popularize the law, launched in 1986 and 1991 respectively, nearly 800 million citizens with the ability to receive education nationwide studied the basic stipulations of the people's congress system in the constitution, studied the election law, the NPC Organization Law, and laws concerning the organization of local people's congresses and local governments. Thus, the popularization, propaganda, and education in the legal system of the people's congress—unprecedented in Chinese history—took place. Through nearly 10 years of propaganda and education, the citizens' awareness of the constitution has improved tremendously, their awareness in using their democratic rights as owners of the country has been strengthened to a certain extent, their consciousness and ability in doing things according to law have been raised, and they have gained further understanding of the content of the basic political system of the people's congress. This has forcefully pushed forward China's reform of the economic and political systems and maintained social stability. However, we must also see clearly that China's propaganda and education work in the democratic legal system is still far from meeting the needs of practice in the democratic legal system. Propaganda on the people's congress system has been very inadequate in magnitude and depth. And the knowledge and understanding of the people's congress system by the broad masses of people and cadres is also very inadequate. There are many ways and measures to solve these problems. But as Comrade Qiao Shi once pointed out, there are mainly two measures: One is to use constitutional and legal stipulations to unify the whole party and the whole country in their understanding of the position, nature, and function of the people's congress. The other is to continuously conduct propaganda and education in connection with reality. This raises new tasks and higher demands on our propaganda and education work concerning the people's congress system.

First, we must propagate with emphasis all the major contents and principles of the people's congress system. We must use the stipulations in the constitution and laws concerning the position, nature, and function of the

people's congresses to unify the thinking of the entire party and entire people and further increase the knowledge of the broad masses of cadres and people, especially leading cadres at various levels, of the important significance of people's congress work. We must forcefully propagate the people's congress system confirmed by China's constitution in combination with the concrete implementation of the second five-year activity to popularize the law, with the constitution as its core; propagate the concept that the people are the masters of the country and that all power belongs to the people; propagate the principle of democratic centralism practiced in state organs; propagate the leading position of people's congresses in the entire state organizational system; propagate the supervisory relationship of people's congresses versus state administrative organs, judiciary organs, and procuratorial organs; and propagate the legislative power, executive and supervisory power, and other powers of the people's congresses. Through propaganda, the democratic awareness and legal concepts of the broad masses of citizens should be further raised, and their understanding of the people's congress system should be deepened. What needs to be pointed out is, in the process of propagating the people's congress system, cadres and masses should clearly understand the fundamental difference between China's people's congress system and the "tripartite" [sanquan fenli 0005 2938 0433 4539] political system of Western capitalist countries. The people's congress system is established according to the demands of China's socialist system and basic national situation. We have no need for and should not imitate the "tripartite" system.

Second, we must propagate in a big way the great achievements of people's congresses at all levels in pushing forward the construction of democracy and the legal system in China. Propaganda concerning the people's congress system should be closely combined with actual work conducted by people's congresses at all levels in constructing democracy and the legal system. And the achievements obtained by people's congresses at all levels in pushing forward the progress of democratic and legal system construction should be used in propagating and educating the masses. The constant development of the socialist market economic system places high demands on construction of democracy and the legal system in China and places newer and higher demands on the legislative work of people's congresses at all levels and their standing committees. Since 1979, the NPC and its standing committee have formulated and passed more than 200 laws, and local people's congresses at the provincial level have formulated and passed more than 3,000 local statutes, both greatly exceeding the speed of legislation in the 30 years before 1979. Thus the social life of China in major aspects now basically has laws to follow. This kind of legislative speed is rare in the legislative history of the world. Since the Eighth NPC, legislation on the market economy has been taken as the number one task of the present people's congress. Legislative speed has been accelerated with the spirit of the

reform, and it has been proposed to try to establish a preliminary framework for China's socialist market economic legal system within five years. Such great achievements and plans should all be propagated very well. At the same time, we should also strengthen propaganda and education in the laws passed by the people's congress and hand the law over to the millions of people. We are organizing people to compile legal textbooks for high-level cadres to study, textbooks in legal system education for high school and primary school students, and reading material concerning the socialist market economy and legal system construction for the use of the broad masses of cadres and people, including school children.

Third, we must strengthen propagation of law enforcement and supervision in coordination with the people's congress work in law-enforcement supervision and inspection. In recent years, the NPC Standing Committee has emphasized the importance of inspection and supervision of the implementation of law, and people's congresses at all levels have conducted the inspection of law enforcement in a planned and selective way. This has played an important role in upholding the dignity of law, promoting the implementation and enforcement of law, and truly correcting the problems of not abiding by law, not strictly carrying out the law, and not prosecuting illegal activities. In propagating the people's congress system, we should also propagate the policy of party leadership in the formulation and execution of laws and the principle of all men being equal before the law. According to the emphasis of law enforcement inspection work defined by people's congresses at all levels, in close coordination with actions taken by people's congresses in the inspection and supervision of law enforcement, we should keep track of the pulse of the times and conduct propaganda and education concerning the legal system with momentum, with depth, and with goals. By giving wide publicity to the legal system, we should further raise the legal concepts of the broad masses of cadres and their ability to act according to law, and create a good social environment in which everybody studies the law, strictly carries out the law, and conscientiously abides by the law.

Fourth, we must adopt a variety of methods to expand the momentum of propaganda and education concerning the people's congress system, and improve the effect of this propaganda. In terms of expanding momentum, on the one hand we must continue to follow the plan to popularize the law as approved by the party Central Committee and the State Council and the special decisions of the people's congresses. Party committees, people's congresses, and government organizations should take charge together and continue to carry out propaganda and education in basic knowledge of the constitution and basic system of the people's congresses in an organized and step by step fashion. On the other hand, we should use many popular forms, give full play to the news media and other popular media, and create an environment in which the broad masses of the people get to know the people's congress system through daily

contact and subtle influences. In consolidating the effect of propaganda concerning the people's congress system, we should actively promote the successful experience of some localities. Before people's congresses decide on the appointment of leading cadres and judicial personnel, relevant personnel should be given examinations in basic knowledge about the constitution and the people's congress system. We should gradually create conditions to include the above-mentioned examinations in the recruitment, promotion, and assessment of civil servants. Those who cannot pass the exams should not be used or should only be used after they pass a make-up examination.

In sum, the people's congress system, as a basic political system of China, is an important foundation and aspect of the construction of China's socialist democracy and legal system. To forcefully propagate the people's congress system, propagate the nature, position, and function of the people's congresses, and propagate the various concrete works of people's congresses are very important and necessary for enhancing the democratic awareness and concept of the legal system among the cadres and the people, and for pushing forward China's democratic and legal system construction. It is hoped that the entire society, especially the departments in charge of legal system propaganda and education, do this work well with a highly responsible spirit, and that we make our due contribution to establishing the authority of the people's congresses, to developing socialist democracy, and to perfecting the socialist legal system.

Article on National Goals for 21st Century

HK2010100494 Hong Kong CHIENG MING in Chinese No 204, 1 Oct 94 pp 24-25

[Article by Chong Lan-hai (1350 5663 3189): "Dream of Peace and Prosperity in Early Part of Next Century—Confidential CPC Report Predicting National Conditions in Early 21st Century"]

[FBIS Translated Text] **The Confidential Report is Divided Into Four Sections of Politics, Economics, National Defense, and Science and Education**

On 5 September, the CPC Central Committee Office, the State Council Office and the Central Military Commission Office distributed a report entitled "China in the Early 21st Century," which was jointly researched and written by the Policy Research Office of the CPC Central Committee, the Policy Research Office of the State Council, and the Policy Research Office of the Central Military Commission.

The period examined in the report is 2000 to 2010, and the contents are divided into four major sections—politics, economics, national defense, and science, technology and education.

This report is classified as "confidential," to be read and studied only by relevant departments in central ministries and provinces. According to claims, this report was

completed through over a year of scientific exploration and analysis, and fully takes into consideration the difficulties and setbacks which might be met in the process of development. The report points out that as long as no large-scale war of foreign aggression erupts, the various national strength goals can be realized and even realized ahead of schedule as follows.

National Strength To Reach Top Three in the World: Two Sides of the Straits Will be 'Unified'

In the political sphere, the two sides of the Strait will be unified or at least nominally unified, and the "one country, two systems" principle will be implemented.

The comprehensive national strength of communist China will allow it to become one of the top three countries in the world, and it will shake free from the political isolation and economic sanctions which the United States and other western countries have imposed upon the country. In overall diplomacy, which will be characterized by upholding opposition to hegemonism and power politics, priority will be given to establishing and maintaining peaceful relations and friendship with neighboring countries along China's border, including Russia, the various CIS countries, north and south Korea, the various countries of Southeast Asia, Pakistan, and India. China will uphold policies of independence and self-determination, safeguarding world peace, and respecting all countries' independence and sovereignty.

GNP Six Times That of 1993

On the economic level, GNP will reach RMB [renminbi] 18 trillion yuan (excluding Taiwan Province), which is six times the 1993 figure. Per-capita income will reach RMB 10,000 yuan, while the figure in rural areas will be RMB 4,000 yuan.

Various provinces and autonomous regions including Jiangsu, Shandong, Guangdong, Zhejiang, Hebei, Hainan, Liaoning, Heilongjiang, Jilin, Xinjiang Uygur Autonomous Region, Hubei, and Shanxi will reach or approach the level of middle-level developed countries.

A total of 30 to 45 medium-sized and large cities, including Beijing, Shanghai, Tianjin, Guangzhou, Shenzhen, Zhuhai, Nanjing, Dalian, Wuhan, Taiyuan, Chongqing, Jinan, Qingdao, Urumqi, Wuxi, Hangzhou, Suzhou, Changzhou, Shenyang, Chengdu, Harbin, Guilin, Xiamen, Fuzhou, Changchun, Xian, Wenzhou, Lianyungang, Hefei and Ningbo will reach or approach the level of medium-sized and large cities in developed countries. It is also planned to build or expand 80 or 100 medium-sized cities and new-type cities which can grow to accommodate 60 million persons.

The cities of Beijing, Tianjin, Shanghai, Guangzhou, Shenzhen, Zhuhai, Wuhan, Dalian, Xiamen and Haikou will establish themselves as international cities characterized by international industry, commerce, finance, high-level science and technology, communications, transport, and various specialized industries.

Of these cities, Shanghai will become an international center in the areas of commerce and industry, finance, high-level science and technology, communications and transport, and will surpass Singapore and Hong Kong.

Annual Steel Output Will Reach 130 Million Tonnes and Grain Output Will Reach 600 Million Tonnes

Annual steel output will reach a figure of between 130 million and 150 million tonnes.

Annual coal output will reach 1.5 trillion tonnes, and it will be possible to transport 80 percent of this.

Annual oil production will reach 175 million tonnes.

The annual amount of electricity generated will be in excess of 2 trillion kwh.

Railway construction will be increased and trunk lines and branch lines will be extended, totaling more than 5,000 km.

A total of 30,000 km of high-speed and first and second-grade highways will be added.

In aviation, 60 domestic and 10 international routes will be added.

The annual output of cotton will exceed 5 million dan.

The average area of residential accommodation enjoyed by urban residents will exceed 10 square m. For every 100 residents, there will be 2.5 sedan cars.

China Will Have Two to Four Aircraft Carriers

The Navy, Army and Air Force will complete the modernization of their equipment and will have Navy, Army, and Air Force bases developed and equipped using Chinese capacities and technologies. They will, following a sudden attack or large-scale invasion, be able to inflict a deadly counter-attack against the aggressor country.

The armed forces will be streamlined to about 1.5 million, while the quality of forces both in terms of military technology and education will be raised. Thirty percent or more of military personnel will have studied or received training at a middle-level or specialized military academy. At that time, China will have two to four aircraft carriers engaged in naval duties. It will also have scientific and technical contingents and production technology capacity to develop and replace Navy, Army, and Air Force equipment and weapons.

By 2010 Manned Spacecraft Will Be Launched

A total of 15 scientific and technological development centers will be established or expanded. The state will be able to increase annual financial allocations by 15 to 20 percent to annually train 6,000 to 8,000 persons who are highly skilled in sophisticated and high-level science and technology.

Beginning in the year 2000, 1 million young people will be selected to study and conduct research in tertiary institutions each year.

By the year 2000, in medium-sized and large cities throughout the country, nine-year education up to junior middle school will be universal. In the 50 largest cities, over 80 percent of staff and workers will have middle school or tertiary education.

By the year 2010, in the major scientific and technological spheres, China will stand in the world's front ranks and will strive to reach the top six.

Prior to 2010, China will have launched a manned spacecraft, completed scientific research tasks, and established a scientific research station in space.

Seeking a Purely Material Life

Having looked at this, one cannot help but be reminded of something which happened in the past.

In the 1970's, before the Chinese communists and the United States formally established diplomatic relations, the two sides established liaison offices in each other's countries. One of the first U.S. diplomats to be based at the liaison office in Beijing was a Mr. Hopkins who, after finishing his posting and returning to the United States, wrote a book about what he had seen and experienced in China. He recounted that a CPC official had taken him for a visit to a people's commune in the Beijing suburbs, and the local CPC official selected the wealthiest peasant household and invited him to visit it. The householder told the American guest how well off they were and how they now had the four major items they had long dreamed of—a bicycle, a watch, a sewing machine, and a radio. Mr Hopkins then asked a question: "Now that you have these four things, what else do you want?" Mr. Hopkins writes that the peasant's face took on a numb expression and he appeared frightened, not knowing how best to answer the question. What he sought were only material things, like the four major items (the indicator of prosperity for mainland Chinese peasants at that time). However, after he had obtained the four major items, he did not know what to seek. He had never thought about man needing to seek political democracy, the basic rights of man, or a spiritual life....

Later Jiang Zemin put forward the "CPC-brand" concept of human rights, noting that human rights are the right to existence. This further verified the view held by Mr. Hopkins. Actually, the old peasant was like Jiang Zemin and Jiang Zemin was like the old peasant. The idea has its counterpart today. The report "China in the Early 21st Century," which was jointly researched and written by three policy research offices of the CPC, the government, and the Army also manifests the views of Jiang Zemin and the old peasant.

Can Dream of 'Peace and Prosperity' Be Realized

Although the report is about the situation in China in the first part of the 21st century, there is nothing about the situation of the main constituent of China—the Chinese people.

How will the four main items about which the people of the Chinese mainland are concerned today—corruption, public order, inflation, and unemployment—be at the beginning of the 21st century? Will the CPC still be as corrupt as today, or more corrupt? If they are more corrupt, will the people still choose to have such a corrupt party in power?

Will the Constitution still be the same constitution? What will the political lives and the democratic rights of people on the Chinese mainland be like? Will there be a turn for the better compared to today? What will the public order situation be like? A few years ago, the CPC repeatedly claimed that its time in power had been a "period of peace and prosperity." Those persons who understand Chinese history know that during the period of peace and prosperity in the Zhenguan reign of the Tang Dynasty, in a whole year throughout the country, only four felons were executed, prisons were almost empty, there was no need to lock one's door at night, and things lost along the road would not be picked up by others! Will China in the first part of the 21st century be able to achieve the level of "peace and prosperity" of the Zhenguan reign?

China Issues 1994 Conscription Work Order

SK2010070394 Beijing XINHUA Domestic Service in Chinese 2010 GMT 12 Oct 94

[By correspondent Zhang Aiqin (1728 1947 0530) and reporter Ma Xiaochun (7456 0879 2504): "The State Council and the Central Military Commission Issue a Winter Conscription Work Order"]

[FBIS Translated Text] Beijing, 12 Oct (XINHUA)—Recently, the State Council and the Central Military Commission issued the 1994 winter conscription order. The nationwide conscription work will comprehensively be launched.

The State Council and the Central Military Commission's conscription order stipulates: The targets and the limits of this winter's conscription work are to recruit young people registered as having rural residence with an education at or above the middle school level and young people registered as having nonrural residence with an education above the senior high school level (including senior high schools, secondary specialized schools, and technical schools). Workers, managerial personnel, and technicians of enterprises and institutions with an education at or above the senior high school graduation level should also be recruited. The areas with real difficulties in fulfilling the conscription tasks, such as minority nationality areas, islands, and border areas, are allowed to appropriately relax the restrictions on the education degrees of the young people to be recruited. The recruitment age range is from 18 to 20 years. Young men of 21 can be recruited if they have a senior high school diploma. The young women should be between 18 and 19 and should be limited to those with senior high school diplomas by 1994. The young men and women who have

reached the age of 17 and are expected to graduate from senior high schools in 1994, can be recruited on a voluntary basis. The conscription methods stipulate that the young men old enough to join the army should be recruited in the areas where their residence registrations lie. Those who have passed the political and physical examinations and also conform to other conscription conditions will join the army with the approvals by the conscription offices under the county (city) people's governments.

The State Council and the Central Military Commission's conscription order stresses: According to the demands for army building in the new age and the new situation in which the country is deepening reform and setting up the socialist market economic system, we should focus this winter's conscription work on ensuring the quality of recruits and correcting unhealthy trends in the conscription work. In regards to ensuring the quality of recruits, we should base ourselves on making comprehensive examinations and ensuring quality and pay particular attention to ensuring the political and educational quality of recruits. In the aspects of preventing and correcting the unhealthy trends in the conscription work, all levels should resolutely implement a series of instructions, policies, and regulations on conscription work as set forth by the party Central Committee, the State Council, and the Central Military Commission; and continue to firmly eliminate the problems of taking the opportunity of recruiting soldiers to wantonly collect funds, ask for and accept bribes, and recruit unqualified young people. It is necessary to strictly enforce conscription discipline, resolutely investigate and handle men and things violating the conscription policies and regulations, and strive to make new achievements in correcting the unhealthy trends in this winter's conscription work.

The State Council and the Central Military Commission's conscription order urges that the people's government and the military districts at various levels regard the conscription work as a great matter relating to the enhancement of the army building in the new age, realistically strengthen leadership, conscientiously make plans, and make unified arrangements. Military service organs at various levels should firmly foster the idea of serving army building, conscientiously fulfill their duties, and go all out to fulfill the conscription work tasks. We should strengthen the propaganda and education on conscription work; proceed from the new situation to solve new problems in the conscription work in the new age; conscientiously implement the guidelines of the "Outlines for Carrying Out the Patriotic Education" as printed and distributed by the CPC Central Committee; adopt various forms to deeply conduct the education on national defense and the education on performing military service according to laws; and enhance the broad masses of cadres, people, and young people's ideas about national defense and the performance of military service according to laws. Simultaneously, we should accelerate the pace of setting up and perfecting

the local military service regulations and rules and intensify the work of recruiting soldiers according to laws. All levels should firmly attend to the implementation of conscription policies and regulations, strictly set up the system of personal responsibility, and strictly guarantee the quality of recruits according to the regulations on the qualifications of recruits. The security, health, civil administrative, railway, communications, and civil aviation departments at various levels should work closely in cooperation with one another, do their duties, and realistically guarantee the conscription work.

Column Views Relevance of Confucianism to Society

HK2010071294 Beijing CHINA DAILY in English 20 Oct 94 p 4

["It Seems to Me" column by Zhang Huimin from the "Opinion" page: "Modern Society Can Learn From Confucius"]

[FBIS Transcribed Text] Confucius and his doctrine reigned supreme over China for about 2,000 years. With the patronage of the monarchs of most dynasties, the people at large never dared to challenge the infallibility of sayings of Confucius.

The result was that Confucianism became the canon of behaviour of the whole nation, and its influence pervaded every aspect of life.

It was not until around 1919, when the May Fourth Movement broke out, that some young pioneers, under the influence of Western ideologies, had the audacity to openly hack at the pedestal of Confucius.

They raised the slogan "Down with the Confucius-run shop!" and called for Mr De and Mr Sai—that is, democracy and science—to save China.

In my opinion, they were right. By smashing Confucius as an idol they brought about the renaissance of China's culture and gave impetus to the transformation of Chinese society from an ancient to a modern one.

Though no longer something of an established religion, Confucianism still predominates in China, especially in the basis of human relations.

Confucianism received its hardest blow in the worst days of the "cultural revolution" (1966-76).

Very harsh and crude attacks of "criticism and repudiation" were directed at Kong the Second One—the era's derogatory designation for Confucius.

It happened that I had a colleague named Zunkong, which means "worship Confucius." In the heat of the anti-cultural campaign, he had to change his name to Pikong, which translates as "criticize Confucius."

This trifling incident said a lot.

Ironically, during this same period, Confucius fared quite differently abroad. For instance, Singapore and South Korea made great efforts to spread Confucian teachings among the people.

They say this helped improve the moral quality of the people, promoted harmony in society and consequently accelerated economic development.

After the "cultural revolution," China began to jettison things ultra-left, steering to a right path. Politically wronged people were rehabilitated, and the evaluation of Confucius became objective, scientific and reasoned.

Earlier this month, at a grand meeting attended by Chinese and foreign notables and scholars, a top Party leader praised Confucianism as the "pillar of traditional Chinese culture" and the "pride of the Chinese nation."

He urged a scientific approach to sort out Confucianism and interpret it in the light of contemporary times so that it will serve China's modern reality.

It seems to me that this is not only the correct approach to Confucianism, but also to all our cultural legacy.

As a Chinese saying goes, "no gold is 100 percent solid." That is why a cool and analytic approach, rather than a fanatic and unreasoning one, is called for in making scientific appraisals of any doctrine.

I would be a presumptuous fool if I claim to know all of the Confucian doctrine. All I have read of Confucianism is just a few classics, and much of the language in them is too archaic and obscure for me to grasp.

But nevertheless, I have derived enlightenment and pleasure from them. I realize that many statements in them are full of wisdom and truthful.

For instance, Deng Xiaoping says: "Science and technology are the primary productive forces." Confucius says: "A workman must first sharpen his tools before he can do a good job."

I don't know if anyone will brand me farfetched if I say these two statements, for all intents and purposes, mean the same thing. The statement of Confucius testifies that for more than 2,000 years wise men realized the importance of "tools" to the development of human society.

A basic tenet of Marxism is the mass point of view. The late Chairman Mao Zedong said: "The masses are the real heroes while we ourselves are often childish and ignorant." He called for "respect for the people and firm belief "in the inexhaustible creative power of the masses."

For his part, Confucius said: "In a group of three, there must be one who is worthy of being my teacher. In a district with 10 households there must be people who are both loyal and faithful..."

Mao had his own saying: "To link ourselves with the masses, we must act in accordance with the needs and wishes of the masses. All work done for the masses must start from their needs..."

Likewise, Confucius said: "Try to benefit the people the way they think it is of benefit to them."

Mao said: "The exemplary and vanguard role of Communists is of vital importance. Communists should set an example in...observing discipline..."

Along the same lines, Confucius said: "If you are upright yourself, people will follow your example without being ordered to do so; but if you are not upright yourself, orders will be of no avail at all."

These teachings are very useful in the present fight against corruption.

A senior Party official said at the recent meeting on Confucius that Confucianism attaches great importance to education, moral education in particular. This is a distinctive feature of Confucianism.

Many of Confucius' sayings are relative to study, ethical questions and human relations. Of course, there are outdated, feudalistic dregs in them, which should be weeded out. However, the general Confucian aim is to create harmonious relations among the people, old and young, men and women, high and low.

China's reform and opening to the outside world in the last 15 years has done enormous good to its people in terms of material wellbeing. I am a beneficiary myself.

To mention a small matter by way of illustration, now I eat as many eggs in a week as I did in a year during the "cultural revolution," when I lived in a northeastern city where all daily foods were rationed.

But the moral climate also needs to improve along with the economy. China is racing along the road to a socialist market economy. With many new problems rising in this transitional period, it is only right for all of society to pay more attention to moral education.

I believe that a scientific study of China's traditional culture and philosophy, including Confucianism, will help improve today's moral climate to ensure both material and cultural advancement.

Living Buddha Garmaba Visits Tibet's Zhikungty Temple

OW1910144494 Beijing XINHUA in English 1410
GMT 19 Oct 94

[FBIS Transcribed Text] Lhasa, October 19 (XINHUA)—The 17th Living Buddha Garmaba visited Zhikungty Temple in Mazhokunggar county of Tibet today.

The temple, more than 170 km northeast of Lhasa, was built in 1174 and is one of the four major temples of the Kagyudpa School (White Sect) of the Tibetan Buddhism.

Garmaba O'kying Chilai recited Buddhist scrolls with over 200 lamas of the temple and held religious ceremonies for his worshipers.

The living buddha left his residence Curbo Monastery for a pilgrimage tour last month and will return there tomorrow.

Mao Zedong's Grandson Trains at Beijing Hotel

HK2010050294 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1258 GMT 24 Sep 94

["Mao Zedong's Grandson, Mao Xinyu, Has Melted Into the Economic Great Wave"—ZHONGGUO TONGXUN SHE headline]

[FBIS Translated Text] Beijing, 24 Sep (ZHONGGUO TONGXUN SHE)—Mao Zedong's grandson Mao Xinyu, currently studying CPC history at the Central Party School as a graduate student, entered Beijing's famous Shangri-la Hotel as a trainee in July. During the past two months of training, Mao Xinyu has worked in eight of the hotel's 11 important departments.

During the training period, Mao Xinyu went with other personnel concerned to various major commercial and travel agencies on marketing trips. He has learned how to serve guests in guest rooms, and has familiarized himself with financial matters in the accounting department. He thinks he is already aware of the importance of applying comprehensive knowledge in hotels.

At present, Mao Xinyu is training under the supervision of the general manager of a big company. He admires the general manager for his strategy and boldness of leadership, and especially for his strategic skills on interpersonal occasions. He said: "I will have a lot to learn from him." He thinks that theories not put into practice are impractical, that everything depends on practice, and that theories are to be developed and perfected in the course of practice.

Article Commends Model Teacher of Pioneering Spirit

HK2010081294 Beijing RENMIN RIBAO in Chinese
15 Oct 94 p 1

[Commentator's Article: "Pass on the Torch of Pioneering an Enterprise With Painstaking Effort"]

[FBIS Translated Text] There is a model teacher called Wang Siming in the Yanan region, he settled in the mountain area 27 years ago. He ran a primary school on his own on a work-study program. He moved his school building three times and repaired it four. He so persevered in his effort that he built a two-story school and introduced an audiovisual education program in a small mountain village "where people living within an area

extending 10 li in every direction are fellow villagers and people living beyond the mountains remain neighbors." The school has provided free education to the children of the village since the 1970's. All children of school age in the village received their education at the school and they all graduated because they all mastered the knowledge imparted to them. This typical case gave expression to the Yanan revolutionary tradition and to our people's spirit of pioneering an enterprise with painstaking efforts in the new era.

The spirit of pioneering an enterprise with painstaking effort is our party's tradition as well as our educational workers' tradition. Since we ran schools in the revolutionary war years, we have consistently adhered to this principle. At present and in the future, we will still have to support an educational enterprise of the greatest scale in the world with our limited resources. The spirit of pioneering an enterprise with painstaking effort is indispensable to educational reform and development. The party and government have decided to basically make nine-year compulsory education universal and to eliminate illiteracy among young and middle-aged people in the 1990's. If we do not set about this task until we are provided with the necessary conditions, we will not be able to attain this strategic goal. When Comrade Wang Siming took over the primary school in the mountain village, the school consisted of only two cave dwellings and the only textbooks he could give his students were the textbooks he had copied himself. In the most difficult times, a veteran Red Army man told him how soldiers and civilians in Yanan had responded to Chairman Mao's call "to live a life of plenty by relying on themselves." The story made him believe in the magic weapon—self reliance. Relying on this magic weapon and on the support from the government and the masses, Wang created what he has now. Advocating displaying the spirit of pioneering an enterprise with painstaking efforts does not mean prerequisites are not necessary for running schools, but that we must take the initiative in creating these prerequisites through hard work. At present, to put into practice the guidelines laid down by the national conference on education and the "Outline for Reform and Development of Education in China," not only comrades in the forefront of education, but also party committees and governments, departments responsible for education, and schools at all levels, and all leading comrades must learn from and vigorously display Comrade Wang's spirit of pioneering an enterprise with painstaking effort. In this way, education will play a bigger role in our efforts to build the country into a powerful one, give the people a happy life, and promote a flourishing culture.

A more precious aspect of Comrade Wang Siming's virtue is that he stuck to the principle of hard struggle throughout his work. By following their teacher's example, the students learned to treasure the gains of labor, take good care of their school, help each other, exercise self discipline, and support themselves. Someone asked the students what they studied for, the

answer was "for leaving the yellow soil [huang tu di 7806 0960 0966]." When asked again why "they should leave the yellow land," the students answered they did so to "acquire more knowledge to transform the yellow soil at home." Our teachers, who work at the forefront of education, are working hard together to promote education. We hope every teacher will learn from Wang Siming's experience and teach their students the magic weapon so that the torch of pioneering an enterprise with painstaking efforts will be handed down from generation to generation.

Editorial Lauds Wei Jingsheng as Nobel Candidate

HK2010061094 Hong Kong EASTERN EXPRESS in English 20 Oct 94 p 15

[Editorial: "Wei: the Perfect Nobel Candidate"]

[FBIS Transcribed Text] The nomination of China's most famous dissident, Wei Jingsheng, for next year's Nobel Peace Prize will surprise no one who has followed the man's courageous, unflinching, 15-year crusade to bring democracy to his country. Nor is it likely to surprise his persecutors in Beijing, who will almost certainly interpret the nomination, made by 58 United States senators, as yet another part of the U.S. conspiracy against the People's Republic of China, and will publicly dismiss it as such.

For America's part, the gesture goes some way to compensate for the decision of the Secretary of State, Warren Christopher, to duck out of a meeting with Wei during his visit to discuss human rights in China in March.

Since his release from solitary confinement, a victim of heart trouble and missing many teeth through malnutrition, Wei has not been able to enjoy his "freedom" as an ordinary citizen, but it has not deterred him from peaceful protest. His spirit was not broken by the ordeal, nor was his will or determination crushed. He resumed his old crusade as fearlessly and as enthusiastically as if his long years of imprisonment had never happened. For that, he has been constantly harried; taken into custody and held without cause, exiled, threatened with charges of treason and other absurd and unsubstantiated accusations. Nothing has diverted him from his singleminded pursuit of free speech, democracy and justice for his fellow countrymen. Nor has his personal suffering or individual loss of liberty prompted any bitterness or anger.

Wei has consistently sought change by peaceful means, since his early days as a prime mover behind the "Democracy Wall" posters in the late 1970s. He has written and spoken out fearlessly for what he so ardently believes in, and at the heart of that is the hope that China will one day embrace democracy, and recognise human rights, without further bloodshed and suffering, because it is the will of the people, and there is a limit to how long that will can go on being ignored.

He deserves the nomination, and it is entirely appropriate that it should have been endorsed by so many people in the free world. It may afford the former electrician greater protection in his present vulnerable position. The Chinese government will find it difficult to pursue their current repressive policy towards Wei when the attention of the international community is so firmly focused on him as a potential Nobel prize winner.

But as yesterday's atrocity in Israel demonstrates, even the Nobel Peace Prize brings no assurances of success. It can be overshadowed by tragedy, and set about by controversy. The wounds of the Middle East will not be healed overnight, and there are extremists on both sides who have no interest in tolerance and forgiveness. They remain obsessed by a thirst for revenge, or for racial supremacy, and international awards for the architects of peace in their territory only add fuel to the fire of their fanaticism.

Israel's Prime Minister described the bomb in the bus station as "an act by the enemies of peace". Yitzhak Rabin shares the Peace Prize this year with Yasser Arafat, but Arafat's nomination provoked cries of outrage and resignations from members of the voting committee, protesting that the head of a former terrorist organisation should not be the recipient of a prize for peace.

There have been other winners through the years whose past has been clouded by association with terrorist organisations or violent acts. South African President Nelson Mandela was the head of an organisation which pursued its fight for justice and freedom through armed struggle.

Le Duc Tho, the veteran leader of the Vietnamese Communist Party, was another recipient whose past involved warfare and bloodshed, yet whose name went forward in an award made jointly with the U.S. secretary of state Dr Henry Kissinger in 1973. Le Duc Tho refused to accept the award and the peace agreement did not hold.

In every corner of the world there are tragic examples of the fact that one man's terrorist is another man's freedom fighter, and the debate will continue as to whether any individual is suitable to be nominated for a peace award, except where they have consistently pursued a path of non-violence. In this respect, Wei has the perfect background.

Apart from his political adversaries in his homeland, there are none who can accuse Wei Jingsheng of any ignoble act. He has an unblemished record of personal sacrifice, and a complete disregard for his own safety and well-being. His weapons have been his pen and his courage. Regardless of how the Beijing government may react, most of his fellow countrymen, who make up one quarter of the global population, regard Wei as one of the greatest Chinese patriots of the age.

Military

Modernization of Border Defense Tank Regiment Hailed

HK2010094794 Beijing JIEFANGJUN BAO in Chinese
26 Sep 94 p 2

[Report by Ou Shijin (2962 0013 6855), and reporter Zhang Jinyu (1728 6855 3768): "Mighty Armored Troops are Taking Up Border Defense"]

[FBIS Translated Text] In the tranquility of early autumn on Gobi-type desert terrain, tanks and armored vehicles in combat formation are running through gullies, beaches, and rivers, rushing at "enemy" positions with crushing force. They are involved in an exercise of a tank regiment under the command of a motorized division aimed at improving the troops' operational efficiency under modern conditions.

Tracking the course of this division's development, these reporters found that it has evolved from none other than the cavalry formation which took part in the review on Tiananmen Square 45 years ago.

The unit that was known as the "Invincible Cavalry Division in China" had rendered meritorious services in many battles in wartime; on galloping horses, they fought north and south on many battlefields, participating in the Huaihai Campaign, the Beijing-Tianjin Campaign, and the War To Resist U.S. Aggression and Aid Korea and quelling rebellions and suppressing bandits. In the wake of the PRC's founding, they took their orders and spurred their horses on to take up border defense duties, where they were stationed for the next 20-odd years, admirably fulfilling the tasks assigned to them. Their feats were engraved on the Tianshan ridges. In 1985, this cavalry unit was reorganized and became a tank regiment, a combined arms motorized unit. One after another, the officers and men tearfully bid farewell to their war horses and welcomed the armored vehicles that would replace them.

They dismounted from their horses and boarded armored vehicles; the clip clop of horses' hooves became the roaring thunder of tanks; the former "princes on horses" had to become experts in maneuvering the new "iron horses"—and the officers and men courageously welcomed the challenge. The tank regiment founded a leading problem-solving group for studying military knowledge in order to master modern equipment. The whole regiment started an upsurge in studying the new equipment. They studied while exploring different training methods and made breakthroughs in thorny training problems, such as firing from tanks on soft and sandy terrain, the firing pattern for tanks on flat terrain, and the evolution of tank groups, thus providing valuable figures and experiences for tank and armored units operating on Gobi-type desert terrain.

The officers and men assigned to maneuver modern equipment worked hard to improve their scientific and

cultural achievements, established ties with local science and engineering colleges, and initiated training classes at the tertiary and secondary educational levels within the troops, with experts and professors from a number of tertiary education institutions coming to give lectures to the troops. As a result, all cadres came to possess a cultural background at and above the secondary educational levels, and 80 percent of specialized sergeants and 42 percent of privates mastered one or two foreign languages or specialized skills.

They tracked the smoke of gunpowder in modern warfare to improve their modern operational skills. The broad commanders of this unit endeavored to grasp modern military knowledge while studying new tactics by linking them to exercises. At least a dozen results of the training reform have been disseminated by their superior, and their academic article "An Exploration and Discussion of Several Issues Regarding Armored Troops Operating on Gobi-Type Desert Terrain" was awarded a first-class prize following assessment by the superior.

Acting under orders, the troops implemented an all-personnel, fully equipped, 1,000-li snap maneuver in the golden season of autumn. They drove their armored vehicles across the vast expanse of the Gobi-type desert. They climbed over the snowcapped Daban Shan, forced their way through "no-man's land", advanced day and night, fought successive battles, and fulfilled the exercise with outstanding results. Dozens of generals from many units—including the PLA Headquarters of the General Staff—hailed them as "a worthy new generation of the 'Invincible Cavalry Division in China!'"

Paper on Army Rear Supply Restructuring

HK1910150394 Beijing JIEFANGJUN BAO in Chinese
21 Sep 94 p 1

[By staff reporter Zhou Tao (0719 3447): "Advancing Toward 'Larger Rear Supply' Characterized By Incorporating Military and Civilian Purposes—Commentary on PLA Rear Supply Restructuring"]

[FBIS Translated Text] The "1993 Beijing International Exhibition of Military Rear Supply Equipment and Technology" opened in October 1993. The more than 320 items of new equipment and results displayed in the China Pavilion roused the wonder and admiration of visitors from over 20 countries. The exhibition of new equipment reflected the rich fruits of rear supply restructuring and was the vivid embodiment of the People's Liberation Army [PLA] rear supply advancing toward a "greater rear supply" characterized by incorporating military and civilian purposes.

Reform Originated From the Chief Architect's Great Train of Thought

At a Central Military Commission [CMC] discussion meeting in November 1984, the chief architect Deng Xiaoping solemnly put forward: "What is called for

today is the party, the government, the Army, and the people across China to subject themselves to the overall situation of national construction heart and soul"; and the Army "must closely coordinate with and act under this overall situation."

In June 1986, Comrade Deng Xiaoping solemnly announced to the whole world: China is to demobilize 1 million troops!

The chief architect's great decision has illuminated the way for the People's Liberation Army [PLA]; it must proceed from the overall situation of national construction and take the road of picked troops characterized by paying attention to quality building, thus raising the curtain for the prelude to the PLA rear supply restructuring.

Reviewing the 45-year history since the PRC founding, people can see that shortly after New China's founding, the PLA promptly realized the conversion of its rear supply from the wartime practice of "drawing supplies from local resources" and "obtaining supplies from the enemy" to relying on the state, realizing a leap in organizing supplies in a unified way. This played a historical role in pushing the PLA to fulfill the tasks at that time. Nevertheless, in the long period since, such a rear supply structure came under the restriction of the planned economic structure, and was affected by the military strategy of "making preparations for fighting a war early and a great war at that." Consequently, an enclosed or semi-enclosed state gradually took shape, which lacked internal vigor, and seriously affected the improvement of rear supply effects. Such condition increasingly failed to meet the needs of the development in the national economic construction and army modernization. Furthermore, with the changes in the international situation, contention between various countries in military strength has increasingly changed to contention between them in comprehensive national strength, depending on which they will implement rear supply. This is a common pursuit by many countries in their defense building pattern.

The chief architect's great train of thought on "demobilizing 1 million troops" was precisely to make disarmament a breakthrough, guiding the Army to implement reform in all items of work, including the rear supply structure, so that the PLA might blaze a new trail in organizing picked troops, which would be conducive to the overall situation of defense building with Chinese characteristics. On such grounds, he stressed the need to study how to "spend military expenditure in a better way and more reasonably," called on "those in charge of rear supply to study housekeeping and learn to spend less money while pursuing more undertakings," and proposed to set apart some military installations, including airports and dockyards, for both military and civil use.... These instructions provided grounds for the Army rear supply restructuring later on.

To Win the Greatest Rear Supply Effects With Limited Funds

The entire 1980's were a period with defense expenditure accounting for the lowest proportion of the national financial expenditures since the PRC founding. By 1993, China's per capita budgetary military expenditure was only 0.6 percent of that of the United States.

CMC Chairman Jiang Zemin said: "Today, we do not have much military expenditure to speak of; however, we must do a good job in managing it, spending it wisely to improve effects." To win the greatest rear supply effects with limited funds is the goal of the struggle for the broad rear supply commanders and soldiers. The PLA rear supply restructuring aimed precisely to find a solution to this contradiction and it succeeded in making two moves with far-reaching significance:

The first move was to grasp the building of a new rear supply structure characterized by incorporating military and civil purposes. With CMC approval, in 1985, all Army hospitals officially opened to society and took the lead in giving play to their advantages in universal technology, while creating a "value-added type rear supply." Closely in its wake, some defense installations, including airports, dockyards, and warehouses opened up to society one after another; Army-run, military enterprises faced the troops and advanced toward the market and established a structure characterized by "incorporating military and civil purposes"; scientific research institutes and centers worked hard to open the technological market, with a large number of science and technological results rapidly converting to combat effectiveness, rear supply power, and productive forces... in the period between 1986 and 1991 alone, 67 percent of the PLA logistics scientific research results were spread and applied in the Army and localities, bringing in some 5 billion yuan in economic returns.

The second move was to grasp the optimal combination of the rear supply structure of the three services. In early 1988, intense preparations were made to present an important reform—network-type demarcated supply, which aimed to break through the PLA separate rear supply structure characterized by "being small but complete" with poor effects; experiments were conducted in Hainan area in a comprehensive way; experiments in demarcated repair of universal equipment and demarcated medical treatment for the wounded and the sick were conducted in the Jinan theater of operations; experiments in demarcated supply of vehicles and equipment were conducted in Nanjing and Shenyang theaters; experiments in demarcated supply of oil were conducted in Xinjiang, Yunnan, and Tibet... By the end of 1988, reports of new successes kept pouring in from various experimental units across the country; in demarcated oil supply alone, the PLA saved hauling costs of some 40 million km as well as some 10,000 tonne of oil.

The significance of the aforesaid two major reform measures lies in "doubling the value of every fen" and,

more importantly, in the fact that the PLA rear supply structure is meeting the needs of a "greater rear supply" and has begun to improve the rear supply structure and reorganize the essentials of rear supply in an orderly way, probing a new pattern for the army rear supply—to achieve the greatest effects of rear supply with limited funds.

"Converge" With the Market Economy—Operate Rear Supply By Utilizing the Market

With the conversion from the planned economy to the socialist market economy in China, the PLA launched a historical march to converge the military economy with the socialist market economy, thus enabling rear supply restructuring to take a new stride in "operating rear supply by utilizing the market," a practice which was unprecedented in history.

Toward the end of 1992, the General Logistics Department made arrangements for systematic research in the whole Army on "the socialist market economy and the Army rear supply work." The demonstrations for this systematic research lasted a year and a series of effective measures for "operating rear supply by utilizing the market" were created, namely, from deepening network demarcated supply, accelerating the conversion from separate rear supply of the three armed services to their joint servicing, to building a military-civil "joint supply entity of military vehicles and maintenance" and "four-in-one" military-civil joint storage, production, supply, and hauling of oil"; from augmenting "material and equipment coordinating centers" at various levels to give play to group and geological advantages of the Army in taking advantage of the "regional differences" and "differences between wholesale and retail prices" in mobilizing materials and equipment, to selecting several material markets for the Army to link to localities to open the supply "through train"; from further completing and perfecting the "double-track system" of financial and institutional departments jointly taking control of funds, to building settling centers together with national banks to change idle money into active money and building a monetary appreciation mechanism.... We can put it that the PLA rear supply structure has already succeeded in getting rid of the bondage of the planned economic pattern and has gradually entered the orbit of a sound cycle of a "greater rear supply" characterized by incorporating military and civil purposes.

Operating rear supply by utilizing the market is an act spanning the next century for the PLA rear supply workers in probing the restructuring of rear supply; it will certainly bear fruit in the century to come!

Economic

Qiao Shi Inspects Guangdong 8-13 Oct

OW1910130094 Beijing XINHUA Domestic Service in Chinese 1310 GMT 13 Oct 94

[By reporter Zhao Wei (6392 4850)]

[FBIS Translated Text] Guangzhou, 13 Oct (XINHUA)—During a recent inspection tour of Guangdong, Qiao Shi, Standing Committee member of the CPC Central Committee Political Bureau and chairman of the National People's Congress Standing Committee, emphatically noted: In implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, it is particularly necessary to take local realities into consideration; earnestly and properly promote the work of party building under new historical conditions; further unify the thinking of the broad masses of cadres and people with the theory of building socialism with Chinese characteristics; and seize the present opportune time to continue bold exploration and practice to promote economic construction and further develop various reform causes.

Accompanied by Xie Fei, member of the CPC Central Committee Political Bureau and Guangdong provincial party secretary; Governor Zhu Senlin; and Lin Ruo, chairman of the provincial people's congress standing committee, Qiao Shi visited Guangzhou, Shenzhen, and Zhuhai from 8 to 13 October. While visiting these cities, he inspected Guangzhou Light Industry Machinery Industrial Group, Guangzhou Monosodium Glutamate Factory, Shenzhen Konka Electronic (Group) Co. Ltd., Shenzhen Petrochemical (Holdings) Co., Ltd., Shenzhen Yantian Port, Zhuhai Airport, Zhuhai Port, and other infrastructure facilities as well as municipal construction projects, and held forums with the provincial and city comrades in charge.

Speaking on strengthening the work of party building, Qiao Shi noted: The "Decision Concerning Some Major Issues on Strengthening Party Building" adopted at the Fourth Plenary Session of the 14th CPC Central Committee constitutes a programmatic document on strengthening party building in the new situation and merits conscientious study. In implementing the guidelines of the "Decision," we must bear in mind the guiding principle put forth by Comrade Xiaoping, which says: "To adhere to the party's leadership, we must improve the party's leadership," and closely integrate the document's guidelines with actual conditions in various localities, so that the work of party building will promote the cause of reform more forcefully.

Qiao Shi particularly stressed the role of practice in the work of party building. He said: The purpose of studying Marxism-Leninism lies completely in application and solving practical problems; therefore, we cannot talk in generalities without touching realities. The work of party building should carry forward the CPC's fine traditions and, in the meantime, constantly explore and create new forms, contents, and experiences in party building in line with the development of the economy, deepening of reform, and opening up wider to the outside world. He noted: Now the CPC is gradually infusing new blood into the ranks of party members and cadres, we must attach importance to the training and selection of elites from

various fronts, so that they will be toughened in the course of mass production and practice, and grow constantly.

Speaking on domestic and foreign conditions for economic construction, reform, and opening up, Qiao Shi said: The current international environment is generally very favorable for China's construction and development. International opinion also has more optimistic predictions on China's development prospects. In view of many problems in the course of domestic economic development, the central authorities have strengthened macroeconomic regulation and control, and launched a series of reform measures in finance, taxation, and the foreign trade system since the beginning of last year. Practice over the past year or so has fully proven that tighter macroeconomic regulation and control is necessary and the result of the practice is good. The implementation of various reform measures is, generally speaking, fairly smooth. Of course, our efforts to build a socialist market economic structure is a brand-new cause, and in the course of carrying out various reform measures, which requires constant exploration, we are bound to encounter a variety of practical problems. While firmly proceeding with reform, we should also solve whatever problems we meet in line with realities, so that China's economy will continue to develop in a more favorable direction.

Commenting on Guangdong's rapid development, Qiao Shi said: Practice has proven the construction of special zones is successful and Comrade Xiaoping's decision on establishing special zones is completely correct. Under the leadership of the provincial committee, comrades in Guangdong have worked actively and hard; some comrades' reforming and pioneering spirit is inspiring. Of course, we also need an even more meticulous and solid workstyle to further boost Guangdong's development. It should be said the achievements in constructing Guangdong and special zones have had a great impact on China and foreign countries, and have offered many valuable experiences to other regions. These achievements are also of positive significance to greeting Hong Kong and Macao back to the motherland and to maintaining their long-time prosperity and stability. He noted: Policies toward special zones will remain unchanged and will be upheld. Special zones will continue to play a leading role in the course of building a socialist market economy as they do in reform and opening up.

Having heard a briefing by the provincial people's congress standing committee, Qiao Shi gave Guangdong Province positive confirmation for its work in economic legislation and valuable research in strengthening supervision. He noted: The market economy is in a sense a legal economy and the establishment of a market economy calls for a faster step in economic legislation. This objective situation has set a higher demand for people's congresses at all levels and, in the meantime, we should see that this also presents an excellent opportunity for us to engage in the long-term task of building a

society with a legal system. He hoped comrades of people's congresses at all levels would further lift their spirits, work hard, and promote the construction of socialist democracy and a legal system with a solid and down-to-earth work style.

Economic Development Maintains 'Rapid Pace'

*HK1910132894 Beijing ZHONGGUO XINWEN SHE
in English 1118 GMT 18 Oct 94*

[FBIS Transcribed Text] Beijing, October 18 (CNS)—China's economic development maintained a rapid pace in the course of intensive reform in the first three quarters of this year and the general situation was quite sound, according to the spokesman of the State Statistical Bureau.

An initial estimate indicated that the gross domestic product was put at RMB [renminbi yuan] 2607.5 billion in the first three quarters of this year, 11.4 percent up over the same period last year based on constant prices. Something worth noticing was found in the economic operation during the quarters.

Industrial production continued to grow at a fast pace with abundant supply of industrial items. Industrial appreciation realized between last January and September rose by 16.6 percent over the same period last year with a gain of 18.1 percent in the third quarter.

A better harvest is expected in agriculture in spite of frequent occurrences of drought and waterlogging disasters in some areas. Grains yield hit an historical high with main farm produce including cotton, oil, meat, vegetables, and aquatic products either maintaining a steady yield or showing a growing volume.

Fixed asset investment was basically under control and such investment realized by state-owned entities between last January and September was 43.9 percent up over the same period last year which represented 22.5 percentage points less than the same period last year in terms of growth in this sector. Random construction of resort villages, high class villas, and speculation on land for building were kept under control. The investment pattern was improved to some extent while newly developed items were halved when compared with the same period last year.

Unification of the exchange rate of the renminbi went smoothly and led to a rapid growth in exports. Imbalance of revenue and expenditure in foreign trade was improved to a certain extent. The trade surplus was put at U.S.\$1.38 billion during the first nine months of this year. The exchange rate of the renminbi maintained at a steady level of 8.5 yuan against one dollar, showing a rise to some extent when compared with the early stage of unification. Foreign investment between last January and August grew by 55 percent over the same period last year. The short term speculative investment was in decline while investment meeting the state industrial policy was on the rise.

The taxation and financial restructuring proceeded smoothly and the situation was relatively stable. Taxation revenue grew rapidly and savings deposits increased to a great extent while the release of loans was basically reasonable. Money supply was generally kept under control with unauthorized short term loan and capital collection basically being checked.

Income earned by urban and rural residents grew at a quick pace. Expenditure by banks as wages continued to increase by 30 to 40 percent since the beginning of this year. Per capita income was RMB 2,268 in urban areas or a rise of 6.8 percent and RMB 840 in rural area or a gain of 10 percent over the same period last year when taking into consideration the price factor. Savings deposits newly increased in urban and rural area between last January and September was put at RMB 448.3 billion, a gain of RMB 216.3 billion over the same period of last year.

Soaring prices at high level became a prominent problem in economic life. Prices for consumer goods nationwide grew by 23.3 percent and retail prices for commodities by 20.9 percent in the first nine months of this year when compared with the same period of last year. Experts were convinced that the year-round price rise would be over 19 percent even though no further price hikes would be seen in the last three months of this year.

The fourth quarter would turn out to be a critical period in the economic operation, according to the spokesman. Macroeconomic regulation should be centred on the following sectors. First, emphasis has to be put on the financial and monetary fields in a bid to avoid quick growth in financial expenditure and money supply. Second, administration of newly developed items has to be strengthened and the scale of fixed asset investment to be cut down. Third, emphasis should be placed on the purchasing of agricultural by-products and the seeding for autumn and winter crops for an increase in supply of farm produce to help alleviate market pressure seen between demand and supply. Fourth, practices of driving up prices have to be strictly curbed. All these measures are aimed at creating sound conditions for further economic construction and reform next year.

Construction Official on Speeding Up Price Reform

*HK1910134394 Beijing ZHONGGUO XINWEN SHE
in English 1226 GMT 18 Oct 94*

[FBIS Transcribed Text] Beijing, October 18 (CNS)—A serious distortion of price has long been seen in China's construction sector and the phenomena of going counter to the market economy rules will be corrected because the reform of price structuring system for construction items will be accelerated.

A national conference on construction industry was held between October 14 and 16 and the Vice-Minister of Construction, Mr. Tan Qinglian, said at the meeting that

the basic idea on the further reform of construction cost would be centred on the principle of price rule and exchanges of equal value. Based on a reasonable construction cost, the relationship between prices and expenses would be properly dealt with. The pricing criterion will be restructured and price information, as well as the index for construction costs, will be promptly made known. Necessary adjustment of project costs will be made in order to gradually make possible a mechanism in which cost is decided by the market under the state macroeconomic regulation.

Planned administration has long been applied to profit making in the construction sector. The legally stated profit was originally set at 2.5 percent while a 3 percent spending on technological equipment was later added to the profit and then a 7 percent profit plan was carried out. As competition became stiffer, the 7 percent planned profit has not yet been realized because of a practice which forced prices down in the bidding. There were not more than 3 percent of state-owned construction enterprises which realized the planned profit. Sharp rises in prices for wages, building materials, and machinery were required, plus no corresponding adjustment of budget set for a particular construction item, led to the fact that the project cost was far from meeting the market change. Cost of production has not been made up for which resulted in serious overspending on the cost.

The construction price reform is, however, a step-by-step process and a combined practice including adjustment will be employed at present. Separation of quantity and price, as well as the profit rate related to price difference, will first of all be carried out. The market regulation will be gradually boosted and adjustment of profit rate for construction items will be implemented in phases in a bid to reach a stated level of profit. Based on this level, prices for construction products will be fully open to the market.

National Forum on Rural Economic Planning Held

SK1910021994 Tianjin TIANJIN RIBAO in Chinese 10 Oct 94 p 1

[FBIS Translated Text] The three-day national rural economic planning work forum opened in Tianjin on 9 October. Chen Yaobang, vice minister in charge of the State Planning Commission, attended and addressed the forum. Gao Dezhan, secretary of the municipal party committee, visited Chen Yaobang. Vice Mayor Zhu Liankang attended the forum.

The major purpose of the forum is to introduce the arrangements of the annual plans for rural economy, study next year's plans, and discuss the rural economic program for the Ninth Five-Year Plan period.

In his speech, Chen Yaobang, vice minister in charge of the State Planning Commission, analyzed the current rural situation and introduced the Ninth Five-Year Plan

for rural economy and the development program for the period till 2010. Speaking on increasing grain output and accelerating the increase in peasants' income, Chen Yaobang said: To increase grain output, we should conscientiously protect cultivated land, stabilize the areas sown to grain, greatly improve the conditions for agricultural production, rely on science and technology to increase output, expedite construction of marketable grain production bases, achieve success in the production and supply of chemical fertilizer and other means of agricultural production, deepen rural reform, stabilize and improve the household-based and output-related contract responsibility system, and make sure that the important task to increase grain output by 50 billion kg is fulfilled by the end of this year. In carrying out rural economic work, we should emphasize increasing peasants' income and greatly develop good quality and highly efficient agriculture, while ensuring an increase in grain output, so that peasants can increase both production and income. We should actively restructure agriculture and greatly develop diverse production. In major grain and cotton growing areas and central and western China, in particular, we should take diverse production as an important measure to increase peasants' income. In addition, we should develop township enterprises with great effort. Speaking on proper placement of rural surplus labor forces and intensified construction of water conservancy facilities, Chen Yaobang said: To make arrangements for rural surplus labor forces, we should 1) develop township enterprises with greater efforts, 2) develop agriculture in both range and quality and increase the capacity for agriculture to offer job opportunities by undertaking agricultural development projects and intensive and meticulous farming, 3) actively develop the tertiary industry, 4) actively develop small- and medium-sized cities and towns to absorb surplus labor forces, and 5) greatly develop labor service export. We should adopt every means to intensify construction of water conservancy facilities. We should accelerate harnessing of large rivers and lakes, control of the soil erosion in the middle reaches of Huang He and upper reaches of Chang Jiang, and construction of city flood-control projects, and should further create an upsurge in building farmland water conservancy facilities.

On how to make rural economic planning more successful, Chen Yaobang urged: To meet the needs of the socialist market economy, we should establish a rural economic information system as soon as possible and take this as an important measure to reform the rural economic planning work and change the function of planning. We should vigorously develop the practice of investigation and study, persistently go to rural areas and the grass roots to conduct investigation and study of some major issues on rural economic development, and put forward opinions to resolve them in a timely manner, so that the agricultural and rural economy can

develop in a sustained and speedy manner. Conscientious efforts should be made to improve the rural economic planning departments so that a better environment and conditions can be created to improve rural economic planning and work efficiency.

Attending the forum were more than 100 representatives from the 30 provinces, regions, and municipalities of the country, the cities enjoying provincial-level planning status, and the planning commission of the Xinjiang Production and Construction Corps.

Improved Trade Efficiency Said Priority for Growth

*OW2010020194 Beijing XINHUA in English 0109
GMT 20 Oct 94*

[FBIS Transcribed Text] Columbus, Ohio, October 19 (XINHUA)—The improvement in trade efficiency by using sophisticated trade technologies has become a priority in China's development strategy, a top Chinese trade official told the international symposium on trade efficiency opened here today.

Delivering a speech on the theme of "Truly Global Trade" at the symposium, Sun Zhenyu, assistant minister of foreign trade and economic cooperation, said that China's foreign trade had expanded at a rather high rate for several consecutive years. However, China's trade efficiency in general still remains at a relatively low level and its trade technologies still are rather backward.

In order to speed up the development, he said, China had joined the Council of Asia EDIFACT (electronic data interchange for administration, commerce and transportation) in an effort to understand and follow the development trend of EDI (electronic data interchange) on the global scale, and listed the application and development of EDI as one of the major items on the country's "Eighth Five-Year Plan".

He said that the Chinese Government had actively participated in the "trade efficiency program" of the UN Conference on Trade and Development (UNCTAD) and achieved substantive results with its first trade point in Shanghai operating well for the first month.

Stating that the enhancement of trade efficiency and the participation in international trade had emerged as a shared goal of the international trading community, he said developed countries should provide developing countries with necessary funds and technological assistance.

The assistant minister expressed his country's hope that all countries would exert concerted efforts so that international trade can become "truly global trade."

The United Nations International Symposium on Trade Efficiency@opened here today with some 90 trade ministers, 300 chief executive officers and 200 mayors from around the world present.

The symposium, the first-ever high-level UN conference hosted by the United States, is expected to change the ways in which countries and businesses will trade in the future.

Reportage on Nation's Spark Program

New Targets Set

*OW2010022194 Beijing XINHUA in English 0147
GMT 20 Oct 94*

[FBIS Transcribed Text] Chengdu, October 20 (XINHUA)—The Chinese Government has decided to readjust the "Spark Program" so that it can play a greater role in the country's agricultural development, according to a recent conference in this capital of Sichuan Province.

The "Spark Program", China's first nation-wide agricultural science and technology development program which started nine years ago, is aimed at popularizing advanced technologies in the countryside.

The United Nation's Economic and Social Commission for Asia and the Pacific considered it the only successful program of its kind carried out among the Third-World countries.

Song Jian, minister in charge of the State Science and Technology Commission, pointed out that China's agricultural science and technology need to be further improved despite the program's success. Now technologies contribute to about 35 percent of the agricultural growth in the country.

The "Spark Program" must be readjusted in line with the new economic system to ensure that 900 million Chinese farmers will be able to live a relatively comfortable life by the end of the century, Song Jian said.

According to the readjusted plan, more emphasis will be put on the central and western parts of the country and on poor regions and various forms of international cooperation will be encouraged.

The new targets include the establishment of 100 program pilot zones, 300 regional pillar industries, 100,000 projects, an annual output value of 500 billion yuan and foreign currency earnings of ten billion U.S. dollars by the end of this century.

'Spark Program' Said Fruitful

*OW2010022294 Beijing XINHUA in English 0133
GMT 20 Oct 94*

[FBIS Transcribed Text] Chengdu, October 20 (XINHUA)—The "spark program", China's first nation-wide program to popularize advanced agricultural technologies in the rural areas, is a great contribution to the rural economic development, according to a work conference held in this capital of southwest China's Sichuan Province.

The program was approved by the State Council and launched by the State Science and Technology Commission nine years ago.

To date, tens of thousands of science and technology research institutes and some one million science workers have been involved in the program. More than 50,000 pilot projects have been carried out, covering over 85 percent of the counties throughout the country, and half of them have reported huge gains.

Now there are 43 state-level technology-intensive zones and 71 rural industries with an output value of more than 100 million yuan and over 40,000 yuan in gross profits. Over the past nine years, 46.7 billion yuan have been put into the program, which in 1993 alone yielded an output value of 170 billion yuan and 37 billion yuan in gross profits.

Thanks to the program, the development of rural resources, the added value of agricultural products and rural industrial products and the labor productivity have all been improved markedly, officials said.

Beijiao town in Shunde city of Guangdong Province is the earliest to implement the program. It has carried out 25 projects and formulated an industrial and agricultural system covering the production of feed, electric fans, air-conditioners, microwave ovens and mini-buses, which yields an industrial and agricultural output value of 45.6 billion yuan, 12 times that nine years ago.

Officials of the United Nations Development Programme and Economic and Social Commission for Asia and the Pacific said that the program is of practical and referential value for the developing countries, especially those in the Asia-Pacific region.

More Airbuses To Enter National Market

*OW2010023494 Beijing XINHUA in English 0209
GMT 20 Oct 94*

[FBIS Transcribed Text] Shenyang, October 20 (XINHUA)—China has ordered 35 Airbuses from 1985 to September this year, and 12 of them are in use in the country.

In addition to those leased, there are altogether 17 Airbuses operating on the many airlines in China.

The China North Airline Company has expressed the wish to buy six more Airbuses after 1996.

China is an important aircraft market in the world, said David Vel Upilai, technical and information manager of Airbus Industrier.

Airbus Industrier will not give up this attractive potential market, he said.

Airbus Industrier has listed China as one of its major buyers, he added.

Based on an analysis of the development trend and demand of airplanes in China's civil aviation industry, Airbus Industrier predicted that China will have to purchase 620 planes by the year 2011.

And 480 planes will be added to cope with the ever increasing number of passengers, and the other 140 will be used to replace outdated ones.

Apart from marketing their products, the Airbus Industrier also wishes to enhance cooperation with China's aircraft manufacturers.

In 1986 the Shenyang Aircraft Manufacturing Company signed an agreement with Airbus Industrier to build 300 doors for Airbus, 100 of which have already been delivered.

The Shenyang company has contracted to produce other components for Airbus Industrier.

The Xian Aircraft Manufacturing Company, an important aviation enterprise in China, also provides parts for Airbus.

Airbus Industrier Plans to invest 25 million U.S. dollars to build a service and training center in China.

Licensed 'Intermediary Bodies' Reach 300,000

*OW2010033294 Beijing XINHUA in English 0239
GMT 20 Oct 94*

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—China has some 300,000 intermediary organizations employing more than one million people, today's CHINA SECURITIES NEWS reported.

Economists here believe that this is an indication that the framework for a complete intermediary organization system has taken shape in China as it shifts from a central-planned economy to a socialist market economy.

Statistics show that among the 300,000 licensed intermediary bodies are 5,800 lawyers agencies, 6,000 accountants and auditors offices, 9,000 notary offices and arbitration administrations, 21,000 asset, real estate and credibility assessment offices, 2,000 securities, futures, property rights and real estate exchange offices, 300 auction offices, 21,000 patent, trademark, tax and financial agent offices, and 14,000 job agencies and personnel exchange centers.

Other intermediary organizations include a large number of consultancy offices, occupational associations and professional self-discipline associations.

Bankruptcy and clearing agencies, which were virtually unheard-of just a few years ago, have already emerged in Shenzhen and Tianjin.

Official sources said that the one million intermediary organization employees include 70,000 licensed lawyers, 20,000 public notaries, 30,000 registered accountants

and auditors, 10,000 professional consultants and 346 professional real estate evaluators.

'Debt Trustee Companies' To Assume Liabilities

HK2010060294 Hong Kong SOUTH CHINA
MORNING POST in English 20 Oct 94 p 12

[By Josephine Ma and Zhang Yuan]

[FBIS Transcribed Text] The Chinese Government has stepped up efforts to remove its tumour—ailing state enterprises by drawing up a list of firms that will be declared bankrupt.

It is also setting up a centralised system to manage their debts.

The official CHINA DAILY yesterday quoted State Economic and Trade Commission Minister Wang Zhongyu as saying the central Government would issue a notice shortly specifying which enterprises to declare bankrupt. The notice would also include instructions on dealing with the debts of these enterprises as well as their employees.

During the January to August period, 45.3 percent of state firms were in the red, according to Mr Wang. He blamed inefficiency, outdated technology and a shortage of development funds for the heavy losses. The fear of social unrest was still a top concern as Mr Wang reiterated the call for a "perfect" social security system to ensure smooth enterprise reforms.

"The most important problem with bankruptcy is to re-accommodate the employees and guarantee a basic living standard for retired people," Mr Wang said. "It is a problem of vital importance to social stability."

No details were given on the number of enterprises being allowed to go bankrupt or plans on settling their debts.

Sources close to the Research Office of the State Council revealed that it was considering transferring the debts of individual state enterprises which had no hope of settling their own debts to a new centralised system sponsored by the Government. According to the proposal, "debt trustee companies" would be set up to assume the debts of ailing state enterprises, thus allowing them a chance to become solvent, the sources said. The proposal also suggests the Government should support these debt trustee companies by giving them a small percentage of the Government's stake in businesses whenever a new company is listed. Also, in order to help these enterprises revive, the debt trustee companies should be exempted from paying the interest on the debts transferred to their accounts for the first one or two years, the sources said, adding the Government should also inject capital into the companies.

They warned that the liabilities of state enterprises were higher than their asset values. In Liaoning province alone, the debt of the 392 large and medium-scale state enterprises had reached 32.8 billion yuan (HK\$29.7

billion [Hong Kong dollars]) in 1992, which was almost twice their asset value, the sources said. The debt rate had increased by 18 per cent in 1992.

In prosperous Shanghai, some state enterprises had a debt rate of 100 million yuan, which was 5.6 times higher than their asset value.

Program To Improve Corporate Governance for Listings

HK2010060894 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English 20
Oct 94 p 1

[By Renee Lai]

[FBIS Transcribed Text] In a move to bring China's corporate governance into line with international standards, the Hong Kong Institute of Company Secretaries has designed a training programme for counterparts with mainland firms listed overseas.

The programme, with strong backing from China's Securities Regulatory Commission (CSRC) and the Hong Kong stock exchange, also is in line for draw funding from the United Nations, which is planning a loan of US\$800,000 to the CSRC.

"The loan will be used to upgrade China's legislation and the standard of H-share companies," said institute president Horace Wong Homing, who returned yesterday from Beijing after meeting CSRC officials and the UN resident representative for economic systems programmes, Alvaro Rodriguez. The proposed loan was not specifically for the training programme, Mr Wong said, but the CSRC could allocate the funds with approvals from the State Economic and Trade Commission and the UN.

"The United Nations are supportive of our proposal which is exactly in line with their own concept and approach," he said.

The programme is aimed at H-share counters and those designated for a Hong Kong listing.

The first seminar for company secretaries of H-share companies, organised by the CSRC and HK exchange, was held in July. Whether the programme will be compulsory for H-share firms has not been decided. "It depends on the Hong Kong stock exchange, but we expect it to be made compulsory," said Mr Wong.

Company secretaries are important to listed companies as they provide help to business executives on compliance and disclosure requirements, essential elements in securing investor confidence. They were in a position to contribute "positively to good corporate governance of the company", said institute chief executive John Brewer. The programme would contain material which covered Hong Kong securities regulations, including listing rules, takeover code, disclosure of interests, and insider dealings, he said.

It also would include China's national rules, such as the Company Law and take four to five months to complete, Mr Brewer said. He expected it to be launched early next year, with details worked out in December.

Under a preliminary proposal, the programme will have three major elements distribution of material by distance learning, tutorial sessions, and provision of a qualified Hong Kong company secretary as a counterpart to the Chinese companies. Because mainland companies were scattered around the country, Mr Brewer said the institute would choose a reasonable location to hold the tutorial sessions, such as Shanghai or Guangzhou.

Under Hong Kong's listing rules, company secretaries should be professionally trained as company secretaries, accountants, or lawyers, or have relevant experience and educational background.

"The major problem is that they (company secretaries in China) lack the practical experience," said Mr Wong. "As their qualifications have technical background, they may not be familiar with commercial knowledge."

Insurance Firm Prepares To Counter Foreign Competition

HK2010070494 Beijing CHINA DAILY in English 20 Oct 94 p 2

[By Ren Kan: "Top Insurer Stands Tall"]

[FBIS Transcribed Text] The People's Insurance Company of China (PICC) is looking forward to steady growth in the last decade of the century.

"We believe our company can develop into a strong insurance company with a modern management style," said PICC President Ma Yongwei.

As the country's largest insurance underwriter, Ma said, the company was now facing strong competition from domestic and foreign insurance firms.

More new domestic insurance companies are expected to emerge to compete with PICC.

Meanwhile, more foreign companies are expected to tap the domestic market as China gradually open its insurance market.

At present, there are only two foreign insurance companies in the country. Firms from Japan and the United States have been allowed to conduct business in Shanghai.

However, the central bank disclosed earlier this year that it is considering an expansion of insurance openings.

"We will meet these challenges instead of dodging them," said Ma. "We will try to be in an impregnable position relying on our good service."

PICC's president said that the company will look at new policies while improving existing ones.

Meanwhile, the company is to try and gather insurance funds to boost its compensation ability.

Furthermore, Ma said the company will strengthen its management structures and increase efficiency.

In the interests of better client service, the president said that the company will improve staff training.

PICC was founded in 1949, but its domestic business was suspended in the late 1950s.

However, the company restored its vigour in 1980 after the State Council had re-approved its domestic role. Since then, the company's income has risen at a yearly rate of 40 percent.

In the past 14 years, the firm's business income has topped 175 billion yuan (\$20.34 billion). The total was generated from over 300 different types of insurance policies.

Total assets of PICC stand at 58.6 billion yuan (\$6.8 billion). And the company has nearly 5,000 outlets across the country.

Over 4,260 billion yuan (\$495.34 billion) worth of residential properties are covered by PICC. And about 700,000 industrial enterprises, government organizations have taken out policies. In addition, over 100 million households have had their properties insured by PICC.

Conference Urges Increased Farming Mechanization

HK2010070894 Beijing CHINA DAILY in English 20 Oct 94 p 3

[By Wang Yonghong: "Farmers Need Mechanization"]

[FBIS Transcribed Text] Agriculturalists have urged the government to do more to mechanize field experiments as part of a bid to speed up the country's farmland development.

The view was shared by scholars at the 9th International Conference on the Mechanization of Field Experiments which started on Monday at Beijing Agricultural Engineering University.

"Progress has been made to mechanize field experiments, but a lot of work still needs to be done if we are to catch up with developed countries," said Wang Lianzheng, President of the Chinese Academy of Agricultural Sciences.

Mechanization of crop breeding is an important part of agricultural development. It helps farmers breed and select better yielding and new crops, said Wang.

It can also improve the quality of food and increase resistance against disease, he said.

New farm technology will play an important role in developing highyield, high-quality and efficient agriculture. It can save labour, time and costs.

Some 120 delegates from China and abroad attended the conference. Foreign participants included representatives from Norway, Germany, Netherlands, Sweden and the United States.

The delegates discussed the latest agricultural techniques, including mechanized field experiments.

Some distinguished companies, manufactures and research institutes including Germany's Hege, Austrian Wintersteiger and Netherlands' Select a brought their latest products to the event.

It is the first conference of its kind to be held in China, and will speed up the mechanization of field experiments.

Shanghai Trust Company Assists Foreign-Funded Firms

OW2010065094 Beijing XINHUA in English 0622 GMT 20 Oct 94

[FBIS Transcribed Text] Shanghai, October 20 (XINHUA)—The Shanghai Trust and Consultancy Company has aided the growth of foreign-funded firms and the improvement of foreign investment environment, according to a company executive.

Guo Qijiang, general manager of the company of the Bank of China, said that his company had invested nearly 100 million U.S. dollars in foreign-funded firms by the end of 1993.

He said that with assets worth 3.4 billion yuan, his company has assisted the construction of economic and technological development zones in Minhang, Hongqiao and Caohejing and the Waigaoqiao Free Trade Zone in the Pudong New Area in Shanghai.

It has also invested in a number of Sino-foreign joint ventures, including the Shanghai Volkswagen Company, the Lianhua Synthetic Fiber Company, the Jincan Wenhua Hotel and the Pudong International Financial Building, he added.

Over the past decade, it has invested nearly 100 million dollars and 53 million yuan in 53 foreign-funded firms, he said.

The company has also provided guarantees for a number of foreign-funded tourism projects, including a shopping center and the Longbo Luxury Apartment Building, he said.

"Our guarantees have made it possible to raise sufficient funds for these projects and ensure their prompt completion," Guo said.

To date, the company has provided 1.5 billion yuan and 80 million dollars in loans to foreign-funded businesses, he added.

It has also issued short-term bonds, securities and stocks to such businesses, he said.

Minister on Fund-Raising Policy in Auto Industry

HK2010084694 Beijing ZHONGGUO XINWEN SHE in Chinese 1116 GMT 20 Sep 94

[By reporter Liu Hong (0491 4767)]

[FBIS Translated Text] 20 Sep (ZHONGGUO XINWEN SHE)—Minister of Machine-Building Industry He Guangyuan said today that China's auto industry follows the principle of "he who invests has the say; he who takes risks benefits," which is a new experiment in investment and fund-raising restructuring in the auto industry.

According to He Guangyuan, with the gradual establishment of the modern enterprise system and the reform of the enterprise property rights system, the implementation of this principle will facilitate the raising of funds needed for development while at the same time converting the enterprise operational mechanism. This will transform the past situation, in which the state took all the investment risks, to a practice which involves shared risks and interests and is based on economic interests. He added that the establishment of financial organizations for the auto industry other than banks is another effective channel for raising funds for the development of the auto industry. We will actively absorb successful foreign experiences and will ask the state to include this on the work agenda as quickly as possible and put it into effect. Minister He believed that, with the implementation of the tax-sharing system in China, the autonomy of local finances will be correspondingly expanded, which will in turn facilitate the transregional and transdepartmental flow of funds. Such a practice will enable funds to pool in those groups which boast advantages and focal products and will lead China's auto industry in advancing toward a more reasonable combination.

It has been learned that China's auto industry has suffered problems for quite some time in the area of fixed assets investment. First, the industry is plagued by multiple decisions being made about investment, with weak macroeconomic control and regulation, making it impossible to focus limited funds on certain sectors or projects. Second, limited of fund-raising channels have resulted in a shortage of funds. The overwhelming majority of funds needed for enterprise construction projects must rely on national bank loans. Third, an enterprise operational mechanism characterized by the combination of stimulation and restriction has not yet taken shape, and the phenomenon of vying to start projects through blind investment is virtually universal.

According to the prediction of a related department, during the Ninth Five-Year Plan (1996-2000), the

annual increased investment in China's auto industry will greatly exceed the level in the Eighth Five-year Plan, and fund-raising will be a major issue.

Peasants Reportedly Benefit From Service System

OW2010090494 Beijing XINHUA in English 0748
GMT 20 Oct 94

[FBIS Transcribed Text] Changsha, October 20 (XINHUA)—The fledgling economic information trade and improved technical and sales service systems have played an increasingly important role in helping peasants gain efficiency and economic returns.

Huarong county in central China's Hunan Province is an example. The county government has set up a technical and processing service system to provide farmers with cheap, but timely and convenient services for the clients.

The service covers a wide area which includes soil improvement, crop protection, material supply, technical guidance, farm products processing and marketing.

The improvement of service systems has injected new energy into the rural economy of this big grain and cotton production county.

In the past, the farmers rely on the governmental planning in farm production. The market economy has forced the farmers to decide themselves what and how much to plant.

But the peasants felt really at loss at the beginning, as the county authorities were trying to transfer their pure administrative role to a service one.

Because of the effective service system, peasants in the county are more market-minded in production by developing diversified economy.

Since 1992, the county has promoted planting of more than 20 kinds of high-yield cotton and rice seeds. Its grain production has increased by nearly 10,000 tons.

The county's per unit and total output of cotton is ranking the first in the province.

At the same time, they also plant chili and water melon and raise chicken, soft-shelled turtle, carp and crab which are sold well on the market.

More than 40,000 peasants have changed from land tiling to processing and marketing.

Last year, the per capita income of peasants was 1,000 yuan and is expected to reach 1,100 yuan this year.

The county government has invested 280,000 yuan to set up a information center linking with state economic and price information centers, Beijing telex center and Hunan provincial data base.

Information stations have also been established in townships and each village has their own technical consultants. A three-level information service system has been formed in the county.

Peasants can obtain information on economic policy, farm product prices and market needs through various ways such as information announcement conference, publications, consulting offices, broadcasting and T.V. programs.

The county's agriculture science and technology center trains 17,200 peasants each year. About 90 percent of village leaders and about half of farmers have attended technical training.

The center now has 3,800 square meters classrooms, nearly 60 hectares of experimental farmland, and 212 teachers.

In addition, the county has built over hundreds of farm products processing factories and 82 trade companies to promote product sales.

The county also set up nearly 100 sale agencies in big and medium-sized cities.

Last year, the total sales volume of farm products was 600 million yuan (about 75 million U.S. dollars).

Construction Industry To Separate Housing

HK2010094694 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0936 GMT 21 Sep 94

[FBIS Translated Text] Beijing, 21 sep (ZHONGGUO TONGXUN SHE)—The relevant persons from the Ministry of Construction has revealed that China will pursue a "double-tracking" system for the regulation and management of its real estate sector; that is, dividing ordinary housing from commodity housing that has been brought into the market for circulation.

As for the development, construction, and marketing of commodity housing, the operating laws and competition mechanisms of the market economy will be followed. The government will primarily exercise macro control in such areas as land supply, planning control, credit policy, and revenue so as to standardize market behavior in accordance with the law.

As for the development, marketing, and renting of ordinary housing, the government will continue to carry out direct or indirect management. The State will set up special organizations in the construction system to take charge, and, where necessary, it will designate or set up some companies that fully or primarily take charge of the construction of ordinary housing.

Special measures will be adopted for these companies which will be different from those for ordinary development companies, such as: the use of land without extending loans or at low prices, the reduction of taxes to a reasonable level, ensuring loans and the supply of

materials, and the reduction of construction costs so that they can supply low-income housing, inexpensive housing, and medium-price housing while being able to maintain normal operation and development.

Losing Enterprises Reportedly Face Closure

HK2010104294 Hong Kong TANGTAL in Chinese No 42, 15 Sep 94 pp 36-38

[By Lo Chih-an (7482 1807 1344): "Loss-Making Enterprises Are Facing Destiny of Being Closed Down"]

[FBIS Translated Text] The top CPC leaders held a work meeting in Beidaihe last month. Of course, the main subject for discussion was the economic situation this year. After the central meeting, persons in charge of various departments concerned and cadres of various departments and at various levels continued to hold relevant meetings to discuss the situation in the second half of the year. It was learned that from beginning to end, the problem of a "serious shortage of funds" is perplexing the central authorities. That is why they have often discussed the problems of how to broaden sources of income, reduce expenditure, and regain the initiative in economic affairs.

Determined To Give Up Hopeless Loss-Making State Enterprises

To prevent a long-term and continuous economic predicament, the central authorities made three decisions at the Beidaihe meeting: First, to take vigorous measures and resolutely close down hopeless state-owned enterprises and force them to declare bankruptcy on the premise that this will not cause great disturbances. It has been learned that the central authorities have already ordered various provinces and cities to work out a list of possible state-owned enterprises for bankruptcy in light of their local conditions and to submit them to the central authorities for examination and consideration so they can serve as a reference for the central authorities in dealing with such cases in the future. From this we can see that under the current economic situation, the CPC has been forced to show no mercy to enterprises in serious debt.

To Vigorously Constrain Inflation

Second, to vigorously constrain inflation and endeavor to control the annual inflation rate so it will not exceed 15 percent. Although this is still six to seven points higher than the target announced by Li Peng in March this year (which was 8 to 9 percent), its realization will give the central authorities a breathing space, because the inflation rate in the first half of the year was basically maintained at the 20-percent level.

The inflation problem in rural areas is perplexing the CPC even more seriously. In the past, inflation mainly occurred in the cities. But as the real income of the urban population was able to catch up with the inflation rate, the pressure was not too great. However, since the

beginning of this year, the inflation rate in rural areas has been rather high. In quite a few rural areas, it has reached 10 percent or higher. As a result, there have been increasing numbers of rural people and transient workers flowing into the cities throughout the country, which has also deepened the social security crisis. Therefore, the central authorities are trying to do their best to control inflation.

Forced To Delay Implementation of Some Reform Measures

Third, to suspend those reform measures which definitely cannot be implemented at present so that the current unstable situation will not worsen. For example, the land appreciation tax levy should have originally started at the beginning of this year, but because of opposition from various local governments (especially the governments of various coastal provinces and cities), the central authorities have decided to postpone its implementation. It is still unable to implement this measure even in the second half of the year. In order to stabilize the situation, the central authorities have decided to postpone the implementation of some plans.

In the final analysis, all this is because the government has no money, not only the central government, but also local governments. However, people who know the inside story say that many local governments have prepared two accounts—one to deal with the central authorities and the other for their own use. Generally speaking, the government's shortage of funds is still a thorny problem.

According to figures provided by the State Planning Commission, there were 151 major projects to develop in the first half of the years, but actual funds collected by various localities to finance these projects only reached 24.3 percent of that required by the annual plan, which was two percentage points lower than the same period last year. At present, another problem in the construction of major state projects is serious defaulting on funds. This is especially serious in major electric power projects. Defaulted funds in these projects make up 56.3 percent of the total.

Serious "Shortage of Funds" in Mainland

As for some major provinces and cities which have comparatively higher incomes, such as Shanghai and Shenzhen, the situation there is also not optimistic. They are complaining that because of the shortage of funds, the construction of some major projects as well as many large and medium enterprises has been affected.

Qin Chijiang, director of the Monetary Research Institute of the People's Bank of China, admitted some days ago that a shortage of funds exists in China. Some state-owned enterprises are unable to maintain normal production.

But what people find hard to understand is that at present, the total amount of social funds has reached

more than 4 trillion yuan and GNP has only reached 3 trillion, just like earning 1 yuan in business by investing more than 1 yuan of funds. It seems that there is no shortage of funds at all. How can there be insufficient funds?

Some people believe that the main problem is the circulation of funds. In the sphere of circulation, large amounts of funds are lying idle or in restricted circumstances.

Zhang Youcai, vice minister of finance and director of the State Assets Administration, also pointed out recently that because of improper management, state-owned assets are being seriously drained, especially when property rights are changed. The main expressions are:

1. In Sino-foreign joint ventures, the assets of the Chinese side are usually undervalued.
2. In shareholding system reform in state-owned enterprises, state-owned shares and other shares are treated differently in respect of dividends and rights, resulting in losses of state-owned shares.
3. Motivated by the economic benefit mechanism, enterprises are paying more attention to the immediate interests in their contract business. As a result, the interests of the state have been harmed.
4. The improper management of units using state-owned assets has resulted in waste of resources and materials. Some state-owned assets have been occupied and used by collective enterprises without compensation, and the latter have turned nothing at all over to the state after earning foreign exchange in foreign trade.
5. Unstandardized property rights exchanges have also resulted in a loss of state-owned assets.
6. Some people have used public funds to engage in eating, drinking, and traveling.

Central Authorities Have Decided To Carry Out Overall Examination of Assets

Therefore, the State Council has decided to check state-owned assets and funds in an all-round way. At present there are 1,620 organizations qualified for this work. At the same time, macroeconomic regulation and control have been strengthened to prevent blind and duplicate construction.

It is known that defaulting on funds for capital construction projects is already very popular, and exists in most large and medium-sized projects under construction throughout the country. In the construction of local projects, this problem is also serious. After examination, a number of projects will be stopped or postponed, especially some extrabudgetary projects, so that funds can be concentrated on the construction of major state projects and projects which have ready markets and yield good economic returns.

It is known that the State Planning Commission, together with relevant departments and regions, will organize some special work groups to work out special schemes for some currently fashionable projects in accordance with the Ninth Five-Year Plan and the Year 2010 Plan (such as automobile, electronics, ethylene, polyester, oil refining, petrochemicals, and steel). They will then be submitted to the State Council for examination and approval. The State Planning Commission and the State Economic and Trade Commission will also reexamine large and medium-sized capital construction projects and above-quota technological transformation projects, which they have approved in the past but which have yet to begin construction, and an official notice will be issued to cut some of them if conditions have changed, such as having no market and construction funds or yielding low economic returns.

In the first half of this year, the State Planning Commission has already experimented with the examination of capital construction projects.

Less Aid Will Be Given to Long-Term Loss-Making Enterprises

A relevant department of the Ministry of Finance disclosed recently that the system of providing subsidies to enterprises suffering losses due to unsuccessful management, which has been practiced for many years in China, will be abolished. If such enterprises are unable to make up losses in the future, they will find it difficult to obtain aid from the state.

This year, the number of budgeted industrial enterprises suffering losses has dropped by five percentage points compared with last year, but only 20 percent of the losses incurred by poor management have been made up. For this reason, the Ministry of Finance decided that subsidies for enterprises suffering losses due to poor management will be resolutely abolished, except for enterprises which are suffering losses because of state policy. For reasons of price policy, some enterprises are still under state control.

The following are some other countermeasures:

1. To use the productive forces of existing large and medium-sized enterprises to expand construction in basic industries and use the productive forces of the old industrial areas to help regions awaiting development.
2. To strengthen macroeconomic regulation and control in the circulation sphere. For some basic and raw materials industries, such as oil, coal, and iron and steel, joint operations are encouraged in production, transportation, and marketing. For example, the joint operation of coal production enterprises and railroad departments has helped reduce some middle links and prevent a nonstate monopoly in the sphere of circulation. For another example, the joint operation of coal production and electric power production enterprises has opened up a stable circulation network to ensure smooth circulation in the main channels.

3. To strengthen reform of the monetary system and the design and application of monetary instruments. When providing loans, it is necessary to adopt the mortgage and credit guarantee system so that all loans are refundable.

4. To improve enterprise management, especially the financial system.

5. To attach great importance to agricultural development and township and town construction. In rural areas, more roads should be built and more power transmission lines erected to facilitate the local economy and absorb surplus laborers. When townships and towns are developed, peasants will have jobs to do and the agricultural situation will be stable.

6. To speed up the pace of bankruptcy for loss-making enterprises.

PRC Nature Preservation Area Regulations

OW2010112294 Beijing XINHUA Domestic Service in Chinese 2110 GMT 15 Oct 94

["PRC Regulations Governing Nature Preservation Areas"—XINHUA headline]

[FBIS Translated Text]

Chapter I. General Principles

Article 1. These regulations are formulated to strengthen the building and management of nature preservation areas and to protect the natural environment and resources.

Article 2. Nature preservation areas as referred to in these regulations are areas—on land, on waters on land, or on the sea—with definite areage designated according to law for special protection and management, where representative natural ecological systems or rare and endangered wildlife species naturally concentrate or spread out, and where natural remains with special significance and other objects to be protected are located.

Article 3. These regulations must be abided by by all nature preservation areas built and managed within PRC territory and coastal waters under PRC jurisdiction.

Article 4. The state adopts economic and technology policies and measures conducive to the development of nature preservation areas, and incorporates the development program of nature preservation areas into the national economic and social development program.

Article 5. Relations between building and managing nature preservation areas and the economic construction, production, and people's life in the localities where the nature preservation areas are located should be properly handled.

Article 6. Nature preservation area management organs or administrative departments in charge of nature preservation areas may accept donations from organizations and individuals at home and abroad for the construction and management of nature preservation areas.

Article 7. People's governments at or above the county level should strengthen leadership over work concerning nature preservation areas.

All units and individuals have the obligation to protect the natural environment and resources in nature preservation areas, and have the right to report or sue units and individuals who damage or encroach on nature preservation areas.

Article 8. The state adopts a management system that combines overall management with departmental management for the management of nature preservation areas.

The State Council's administrative department in charge of environmental protection is responsible for the overall management of all of the country's nature preservation areas.

The State Council's forestry, agriculture, geology and mineral resources, water resources, oceanic affairs, and other concerned administrative departments are in charge of nature preservation areas within their respective authority and responsibility.

The establishment and responsibility of departments of local people's governments at or above the county level responsible for management of nature preservation areas are to be decided in the light of local situations by the local provincial, autonomous regional, or municipal people's government.

Article 9. Units and individuals who have made noticeable contributions to the construction and management of nature preservation areas or to scientific research in relevant fields are to be awarded by a people's government.

Chapter II. Construction of Nature Preservation Areas

Article 10. Areas that meet any one of the following conditions should be established as nature preservation areas:

(1) Typical natural geographical areas, representative natural ecological system areas, and similar natural ecological system areas that have been damaged but that can be restored with protection efforts;

(2) Areas where rare and endangered wildlife species naturally concentrate or spread out;

(3) Coastal waters, coastlines, islands, wetlands, inland waters, forests, grasslands, and deserts, that have special value of protection;

(4) Geological structures, well-known karst caves, fossil distribution areas, glaciers, volcanoes, hot springs, and other remains of the nature that have significant scientific or cultural value;

(5) Other nature areas that have been approved by the State Council, or by a provincial, autonomous regional, or municipal government, for special protection.

Article 11. There are two types of nature preservation areas—national level and local level.

Nature preservation areas with typical significance at home and abroad, that have important international influence in scientific research, or that have special scientific research value are listed as national-level nature preservation areas.

Other nature preservation areas with typical significance or important scientific research value are listed as local-level nature preservation areas. Local-level nature preservation areas may be managed at various levels. The specific procedures for the management of local-level nature preservation areas are to be formulated in light of the actual situation by a competent administrative department of the State Council in charge of nature preservation areas, or by a provincial, autonomous regional, or municipal people's government, and then submitted to the department of the State Council in charge of environmental protection for the record.

Article 12. Applications for the establishment of national-level nature preservation areas are to be submitted by the people's governments of the provinces, autonomous regions, or municipalities where the nature preservation areas are located, or by the State Council administrative department in charge of nature preservation areas. The applications are then appraised and examined by the national-level nature preservation areas appraising committee, coordinated with and suggestions attached by the State Council administrative department in charge of environmental protection, and submitted to the State Council for approval.

Applications for the establishment of local-level nature preservation areas are to be submitted by the people's governments of the counties, autonomous counties, cities, or autonomous prefectures where the nature preservation areas are located; or by the administrative departments in charge of nature preservation areas of the provincial, autonomous regional, or municipal people's governments. The applications are then appraised and examined by a local-level nature preservation areas appraising committee; coordinated with and suggestions attached by the administrative department in charge of environmental protection of the provincial, autonomous regional, or municipal people's government; submitted to the provincial, autonomous regional, or municipal people's government for approval; and submitted to the State Council administrative department in charge of environmental protection and to the State Council administrative department in charge of nature preservation areas for the record.

Applications for the establishment of nature preservation areas that spread across two or more administrative districts are to be submitted by the people's governments of concerned administrative districts after an agreement is reached between them. The applications are to be appraised and approved following the aforementioned procedures.

The establishment of nature preservation areas at sea is to be approved by the State Council.

Article 13. Relevant application forms should be filled out according to relevant regulations for the application for establishing nature preservation areas.

Article 14. The size and boundaries of nature preservation areas are to be decided by the people's government which approves the establishment of the nature preservation areas. The boundaries are to be marked and announced.

In deciding the size and boundaries of nature preservation areas, concerned authorities should take into consideration the completeness of the protected objects and the appropriateness of their protection; as well as the needs of local economic construction, production, and people's lives.

Article 15. Abolishment of nature preservation areas, or adjustments or changes to the nature, size, or boundaries of nature preservation areas, are to be approved by the people's government which approved the establishment of the nature preservation areas.

Without authorization, no units and individuals are allowed to change the boundaries of nature preservation areas.

Article 16. Nature preservation areas are to be named in the following manner:

For national-level nature preservation areas: Add "National-level Nature Preservation Area" to the name of the place where the nature preservation area is located.

For local-level nature preservation areas: Add "Local-level Nature Preservation Area" to the name of the place where the nature preservation area is located.

Nature preservation areas that have objects under special protection may add the name of the object under special protection to the name of the place where the nature preservation area is located.

Article 17. Based on the results of surveying and appraisal of the country's natural environment and resources, the State Council administrative department in charge of environmental protection, in conjunction with State Council administrative departments in charge of nature preservation areas, should draw up a state nature preservation areas development program. After the program is subjected to overall balance by the State

Council's planning department, it should be submitted to the State Council for approval and implementation.

Nature preservation areas management organs or administrative departments in charge of nature preservation areas should organize the drawing up of a nature preservation areas development program; following established procedures, incorporate it into the state, local, or departmental investment plan; and organize the implementation of the program.

Article 18. Nature preservation areas can be divided into core zones, buffer zones, and experimental zones.

Nature preservation areas where natural ecological systems are preserved in good condition and where rare and endangered animals and plants are distributed in concentrated areas shall be designated as the core zones and be off limits to all units and individuals; as well as to scientific research activities, except those otherwise approved by the provisions in Article 27 of these regulations.

Certain areas in the periphery of core zones can be designated as buffer zones where only scientific research and survey activities are permitted.

The periphery of buffer zones shall be experimental zones for conducting scientific experiments, teaching by practical training, and study and sightseeing tours; as well as for domesticating and breeding rare and endangered wildlife.

When the people's governments which originally approved the establishment of nature preservation areas deem it necessary, certain areas in the periphery of nature preservation areas can be designated as peripheral preservation zones.

Chapter III. The Management of Nature Preservation Areas

Article 19. The State Council administrative department in charge of environmental protection shall organize relevant State Council administrative departments in charge of nature preservation areas for drafting technical norms and standards for managing nature preservation areas nationwide.

Relevant State Council administrative departments in charge of nature preservation areas may, in accordance with the division of responsibilities, draft technical norms for various types of nature preservation areas, and report the norms to the State Council administrative department in charge of environmental protection for the record.

Article 20. Administrative departments in charge of environmental protection under the people's governments at and above the county level shall have the authority to exercise supervision and inspection of the management of various nature preservation areas within their own administrative district. Relevant administrative departments in charge of nature preservation areas

under the people's governments at and above the county level shall have the authority to exercise supervision and inspection of the management of nature preservation areas under their charge. Inspected units shall provide a factual report as well as necessary materials to inspectors, while the latter shall keep technical and professional secrets for the former.

Article 21. National-level nature preservation areas shall be managed by relevant administrative departments in charge of nature preservation areas under the provincial, autonomous regional, or municipal people's government where the areas are located; or by relevant State Council administrative departments in charge of nature preservation areas. Local-level nature preservation areas shall be managed by relevant administrative departments in charge of nature preservation areas under the people's governments at and above the county level.

Relevant administrative departments in charge of nature preservation areas shall set up special managing organs within nature preservation areas and appoint specialized technical personnel to take up specific responsibilities for the areas.

Article 22. The main duties of managing organs of nature preservation areas are as follows:

- (1) Implementing state laws and regulations as well as general and specific policies related to nature preservation;
- (2) Formulating various management systems to exercise unified management of nature preservation areas;
- (3) Conducting surveys and setting up files for natural resources and monitoring the environment to protect the ecology and natural resources inside nature preservation areas;
- (4) Organizing or assisting the relevant departments to conduct scientific research on nature preservation areas;
- (5) Carrying out publicity and education in nature preservation; and
- (6) Conducting study and sightseeing tours under the premise that the ecology and natural resources of the nature preservation areas are not affected.

Article 23. Expenditures for managing nature preservation areas shall be allocated by local-level governments at and above the county level in places where nature preservation areas are located. The state shall give appropriate funding assistance for managing national-level nature preservation areas.

Article 24. Public security organs in localities where nature preservation areas are located may set up public security police substations in the areas to maintain public order there as deemed necessary.

Article 25. Units and residents of, and personnel authorized to enter nature preservation areas must abide by

various management systems inside the areas and must accept the supervision of their managing organs.

Article 26. Tree-felling, animal-grazing, hunting, fishing, medicinal herb-gathering, land reclaiming, moor-burning, mining, quarrying, and sand-digging are prohibited in nature preservation areas; except as otherwise prescribed in the laws and administrative rules.

Article 27. No one shall be allowed to enter nature preservation areas' core zones. Entrants into core zones to conduct research, observation, and survey activities for scientific projects must submit application and activity plans in advance to nature preservation areas' managing organs, and must obtain approval from the administrative department in charge of relevant nature preservation areas under the people's government at and above the provincial level; from these, entries into national-level nature preservation areas shall be approved by the State Council administrative department in charge of relevant nature preservation areas.

Where there is indeed a need for original residents of nature preservation areas' core zones to move out, the local people's government shall provide proper arrangements.

Article 28. Tourist, production, and management activities shall be prohibited in nature preservation areas' buffer zones. Entrants into buffer zones to conduct nondestructive research and teaching-by-practical training activities and to collect specimens for scientific projects must submit applications and activity plans in advance to the nature preservation areas' managing organs, and must obtain approval from the administrative organ in charge of nature preservation areas.

Units and individuals engaged in activities prescribed in the preceding paragraph must submit a copy of the research results to the administrative organ in charge of nature preservation areas.

Article 29. When conducting study and sightseeing tours in national-level nature preservation areas' experimental zones, the nature preservation areas' managing organs shall submit a proposed plan which—after examination and verification by the relevant administrative department in charge of nature preservation areas under the provincial, autonomous regional, or municipal people's government—shall be forwarded to the State Council administrative department in charge of nature preservation areas for approval. When conducting study and sightseeing tours in local-level nature preservation areas' experimental zones, the nature preservation areas' managing organs shall submit a proposed plan to the relevant administrative department in charge of nature preservation areas under the provincial, autonomous regional, or regional people's government for approval.

When organizing study and sightseeing tours in nature preservation areas, it is necessary to conduct and supervise the tours according to approved plans and in an

orderly manner. Units and individuals entering nature preservation areas for study and sightseeing tours must obey the supervision of the areas' managing organs.

Study and sightseeing tours that run counter to the orientation of nature preservation areas shall be strictly forbidden.

Article 30. Nature preservation areas where zoning is not completed shall be managed according to the provisions pertaining to core and buffer zones.

Article 31. Entry to local-level nature preservation areas by foreigners shall require that the sponsoring unit obtain prior approval from the administrative department in charge of nature preservation areas under the provincial, autonomous regional, or municipal people's government. Entry to national-level nature preservation areas by foreigners shall require that the sponsoring unit obtain approval from the State Council administrative department in charge of the relevant nature preservation areas.

Foreigners entering nature preservation areas must observe the laws, rules, and regulations concerning the nature preservation areas.

Article 32. In nature preservation areas' core and buffer zones, construction of any production facilities shall be prohibited. In nature preservation areas' experimental zones, construction of production facilities that may pollute the environment, or may damage the resources or natural landscape shall be prohibited; when constructing other projects, their pollutant discharge must not exceed the national and local standards for discharging pollutants. When pollutant discharge of facilities already built in nature preservation areas' experimental zone exceeds the national and local standards for discharging pollutants, a time limit must be set to bring the excessive pollutants under control. Where a damage is done, it is necessary to take remedial measures.

Constructions in nature preservation areas' peripheral preservation zones must not damage the areas' environmental quality. Where damage is done, it is necessary to set a time limit for making up the damage.

Decisions on setting a time limit for rectifying problems shall be made by organs prescribed by law and regulations. Enterprises, institutions, and units ordered to rectify problems within a time limit must complete the rectification on schedule.

Article 33. Units and individuals which have caused or may have caused pollution or damage in nature preservation areas as a result of accidents or spontaneous incidents must take immediate measures to deal with the aftermath; they must promptly notify units and residents that may be affected, must report to the nature preservation areas' managing organs and local administrative departments in charge of environmental protection and of nature preservation areas, and must accept the administrative departments' investigation.

Chapter IV. Legal Responsibilities

Article 34. Units and individuals committing one of the following acts in violation of these regulations shall be instructed to remedy them by nature preservation areas' managing organs, and may be given a fine of more than 100 yuan and less than 5,000 yuan depending on the degree of seriousness of violations:

- (1) Removing or destroying nature preservation areas' landmarks without authorization;
- (2) Entering nature preservation areas without permission or disobeying the managing organ in the areas; and
- (3) Units and individuals who are approved to conduct research, teaching-through-practical training, and specimen collection activities in nature preservation areas' buffer zones, but who fail to submit their activity reports to the managing organ.

Article 35. Units and individuals who carry out tree-felling, animal-grazing, hunting, fishing, medicinal herb-gathering, land reclamation, moor-burning, mining, quarrying, and sand-digging activities in nature preservation areas in violation of the provisions in these regulations shall be confiscated of their illegal income and be instructed to stop their activities by the administrative department in charge of nature preservation areas under a people's government at or above the county level, or by its authorized organ in charge of nature preservation areas, in addition to being penalized according to the provisions of relevant laws and administrative rules. Those who cause damage to nature preservation areas may be given a fine of more than 300 yuan and less than 10,000 yuan.

Article 36. Nature preservation areas' managing organs, which refuse supervision and inspection by the administrative department or competent authorities of environmental protection in violation of the provisions of these regulations, or which engage in fraudulent practice during inspections, shall be given a fine of more than 300 yuan and less than 3,000 yuan by the administrative department in charge of environmental protection or by competent authorities of nature preservation areas of a people's government at or above the county level.

Article 37. Nature preservation areas' managing organs, which commit one of the following acts in violation of the provisions of these regulations, shall be instructed to remedy them within a time limit by the administrative department in charge of nature preservation areas under a people's government at or above the county level; and personnel who are directly responsible for violations shall be given disciplinary action by their work units or higher authorities:

- (1) Conducting study and sightseeing tours in nature preservation areas without authorization;
- (2) Carrying out study and sightseeing projects inconsistent with the orientation of nature preservation areas; and

(3) Failing to conduct study and sightseeing tours according to approved plans.

Article 38. Whoever causes damage to nature preservation areas in violation of the provisions of these regulations shall be instructed to make compensation by the administrative department in charge of nature preservation areas under a people's government at or above the county level.

Article 39. Whoever obstructs managing personnel of nature preservation areas from executing official duties shall be punished according to the provisions of the "PRC Regulations Governing Offenses Against Public Order"; and shall be affixed with criminal responsibility in the event that the case is serious and constitutes a crime.

Article 40. Criminal responsibility shall be affixed on principal and other personnel directly responsible for causing serious pollution and destructive accidents in nature preservation areas in violation of the provisions of these regulations and for causing grave consequences in public and private property losses or personal deaths and injuries, which constitute a crime.

Article 41. Managing personnel of nature preservation areas, who commit crimes through abusing powers, neglecting duties, and practicing favoritism, shall be affixed with criminal responsibility according to the law; when a case is minor and does not constitute a crime, the personnel concerned shall be given disciplinary sanction by their work units of higher authorities.

Chapter V. Appendix

Article 42. The State Council administrative department in charge of nature preservation areas may base on these regulations in formulating procedures for managing various types of nature preservation areas.

Article 43. All provincial, autonomous regional, and municipal people's government may base on these regulations in drawing up rules for implementation.

Article 44. These regulations become effective on 1 December 1994.

Figures Show Service Industry 'Thriving'

OW2010023394 Beijing XINHUA in English 0156
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—The Chinese Government allocated over 45 percent of its total investment for the public sector in the thriving service industry in the first half this year.

Transportation and telecommunications took up 50 percent of the investment for the entire service sector.

In 1993, 44 percent of the government input flew to the service sector, and in 1992, the figure was 38 percent.

Groups of personnel with special expertise in scientific and technological development, marketing and management as well as consultation have entered the booming service industry.

The industry's structure is changing comprehensively. Transportation, telecommunications and urban public facilities have become the industry's pillars, meanwhile, finance and insurance, consultation, scientific and technological services, real estate, tourism and advertising businesses are seeing a quick growth.

Chain-shops, express mail service, and wireless paging service are developing fast. Heavy-duty trains, double-floor buses, automatic sorting machines, program-controlled switch boards and optical fibers are applied.

Sound market mechanisms and social insurances are being enhanced. Enterprises in the field are of different ownerships.

In the 1980's, only tourism facilities, off-shore oil exploration, and diet services were open to foreign capital. Since 1992, transportation, real estate, information consultancy, and advertising businesses have all been allowed to use overseas investment.

Foreign-funded enterprises were set in finance and insurance, and retail sales. On-land oil exploration has benefited greatly from foreign capital and a large amount of foreign investment has been introduced to help with the construction of telecommunications.

East Region

Fujian Leaders Solicit Opinions on Central Decision

HK2010070294 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 14 Oct 94

[FBIS Translated Excerpt] During the Ninth Enlarged Plenary Session of the Fifth Fujian Provincial CPC Committee, the provincial party committee held a separate forum to relay the instructions of the Fourth Plenary Session of the 14th CPC Central Committee, and to solicit opinions on the provincial party committee's suggestion for implementing the CPC Central Committee's decision on strengthening party building and other major issues.

Provincial party committee Secretary Jia Qinglin and Governor Chen Mingyi, deputy secretary of the provincial party committee, held separate talks with veteran comrades. Lin Kaiqin, deputy secretary of the provincial party committee, held a talk with people outside the party. [passage omitted]

When expressing their views, the participants unanimously favored the decision of the Fourth Plenary Session of the 14th CPC Central Committee, as well as Comrade Jiang Zemin's important speech. They raised many good suggestions and proposals on how to strengthen party building and improve party leadership. [passage omitted]

Fujian CPC Meeting Stresses Party Building

HK2010100394 Fuzhou Fujian People's Radio Network in Mandarin 2300 GMT 13 Oct 94

[FBIS Translated Excerpt] Yesterday, the ninth enlarged plenary session of the Fifth Fujian Provincial CPC Committee concluded successfully in Fuzhou. The meeting called on all party members and cadres to more closely unite around the party Central Committee with Comrade Jiang Zemin as the core; to strengthen party building in all aspects under the guidance of Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line with the spirit of the fourth plenum of the Central Committee as a driving force, thus increasing the attractiveness of the rallying and fighting forces of the party; to unite and lead all cadres and ordinary people in this province to emancipate their minds, seek truth from facts, and work hard with one heart and one mind; and to strive for the realization of the grand objective of modernization.

Thirty five members and five alternate members of the provincial party committee attended the meeting. Attending the meeting as non-voting observers vice chairmen of the provincial people's congress standing committee, vice governors of the provincial government, and vice chairman of the provincial committee of the Chinese People's Political Consultative Conference with party membership; secretaries of all prefectural and city

party committees and all county, city, and district party committees; secretaries of prefectural and city discipline inspection commissions; responsible comrades of all departments of the provincial party committee; secretaries of the party committees and the party leading groups in all departments of the provincial government and in all provincial corporations and in all institutions of higher education, totalling 271 people. The plenum was presided over by the standing committee of the provincial party committee.

Yesterday morning, a general meeting was held by the plenum. Jia Qinglin, secretary of the provincial party committee, gave an important speech. Chen Mingyi, Lin Kaiqin, He Shaochuan, deputy secretaries of the provincial party committee, Wang Jianshuang, Zhao Xuemin, Lin Zhaoshu, Huang Wenlin, Xi Jinping, Shi Zhaobin, Huang Songlu, Chen Yingguan, standing committee members of the provincial party committee, attended the meeting.

The plenum studied the spirit of the Fourth Plenary Session of the 14th CPC Central Committee and the decision of the Central Committee plenum and Comrade Jiang Zemin's important speech; discussed and revised the opinion of the provincial party committee on the implementation of the Central Committee's decision on strengthening party building. The plenum made comprehensive arrangements for the study and implementation of the spirit of the fourth plenum of the Central Committee and for the party's work in the future.

The plenum unanimously supported the decision of the party Central Committee and Jiang Zemin's important speech, and unanimously held that the Fourth Plenary Session of the 14th CPC Central Committee was an important meeting dealing with the overall situation at the crucial juncture of reform, opening up, and modernization. The decision adopted by the Central Committee plenum was a programmatic document for strengthening party building under the new situation. [passage omitted]

In his speech, Comrade Jia Qinglin expressed his opinion on implementing the spirit of the fourth plenum of the Central Committee, strengthening party building in this province, and the party's work in the future. Jia Qinglin required that party organizations at all levels in this province conscientiously and effectively implement the Central Committee's overall plan for strengthening party building in connection with their own characteristics. While doing serious work to enhance the party membership's ideological integrity and improve party style, it is necessary to give prominence to the party's organizational building at the present time and raise the work of party building in this province to a new level. He required that party organizations in all localities maintain and perfect the system of democratic centralism, intensify education for party membership, improve and consolidate regulations and rules, ensure that the whole party is subordinate to the Central Committee, exercise

effective supervision and control, and link inner-party supervision with supervision by mass media, by the democratic parties, and by the broad masses. [passage omitted]

Jiangxi Head Attends Township Enterprise Meeting

HK2010050994 Nanchang Jiangxi People's Radio Network in Mandarin 1100 GMT 15 Oct 94

[FBIS Translated Text] The provincial town and township enterprise work conference ended in Nanchang yesterday. The meeting analyzed the situation in the development of town and township enterprises since the beginning of this year, required all localities to consolidate the achievements, continue to make advances by overcoming difficulties, and guarantee the sustained and rapid development of town and township enterprises with high economic efficiency. Mao Zhiyong, secretary of the provincial party committee; Zhang Fengyu, member of the standing committee of the provincial party committee; and Assistant Governor Sun Yonghe gave speeches at the two-day meeting. The meeting was attended by the deputy magistrates of prefectures and the vice mayors of cities who are in charge of the work concerning town and township enterprises. They exchanged work experiences with each other.

This year saw the the best recorded results and the most rapid pace in the development of township and town enterprises. Between January and September, the total output value produced by town and township enterprises throughout the province reached 91.68 billion yuan. It is expected that the total yearly output value produced by town and township enterprises will top 100 billion yuan for the first time. Between January and August, the taxes paid by town and township enterprises increased 120 percent over the same period last year. However, owing to changes in overall national economic conditions and also to various factors in this province, the development of town and township enterprises in Jiangxi faces a condition in which there are both opportunities and difficulties, and in which there are possibilities for both progress and retrogression.

The meeting pointed out: The current rural economic situation is very good, and good harvests were reaped everywhere, with the output of crops increasing. Peasants' income has increased substantially. The brisk fall market is providing favorable conditions for the development of town and township enterprises. All localities must grasp this opportunity to guide town and township enterprises to accelerate their development. It is necessary to effectively raise more funds, to increase effective investment, and to ensure that the target of investing 6 billion yuan in fixed assets within the year will be achieved. The joint-stock cooperative system should be adopted through reforming the property rights system. Town and township enterprises should be encouraged to launch cooperation projects with urban industrial enterprises, institutions of higher education, and research

institutes in order to upgrade their products. The meeting also required that town and township enterprises improve their management, enhance their economic efficiency, and further carry out the efficiency-year activities. Efforts should be made to reduce inventories and stockpiled products by promoting the marketing of products. The rate of sales to production should be raised to a level above 93 percent. Export-oriented production should be greatly developed so that town and township enterprises may make greater contributions to foreign exchange earnings. In the process of attracting and inviting external investment, efforts should be made to improve the investment environment, while favorable policies are applied to the investment projects. Channels for introducing investment should be broadened and diversified. This year's target is to establish 200 foreign-funded enterprises, the aim of export-oriented production, efforts should be made to enhance product quality and to improve exports. This year's target is to export 1 billion yuan-worth of products.

Shandong Secretary Speaks at Cotton Purchase Meeting

SK2010050794 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 19 Oct 94

[FBIS Translated Text] On the morning of 19 October, the provincial party committee and government held a meeting of mayors and commissioners of cotton producing areas, calling on the higher and the lower levels across the province to further unify thinking, expand measures, rapidly create an upsurge in purchasing cotton, and qualitatively and quantitatively fulfill the province's cotton purchasing and allocating tasks.

Jiang Chunyun, secretary of the provincial party committee, and Governor Zhao Zhihao attended and addressed the meeting.

The meeting revealed the whole province's cotton purchasing situation and stressed that the cotton purchasing tasks assigned to all localities will remain unchanged. It also worked out the progress chart for the next step of purchases.

At the meeting, the mayors and commissioners of the main cotton producing areas expressed that they would resolutely implement the directives of the CPC Central Committee, the State Council, and the provincial party committee and government, and guarantee the fulfillment of the cotton purchasing task.

Comrade Jiang Chunyun called this meeting a mobilization meeting, a meeting to tackle the most difficult problems, and an oath-taking meeting and one for ending the passive situation in cotton purchase, accelerating the progress of purchase, and guaranteeing the fulfillment of the state purchasing and allocating tasks. He stressed: First, we should further enhance understanding of the major significance of successfully carrying out cotton purchasing work. The party and government organs at all levels should positively safeguard the

authority of the CPC Central Committee and the State Council, issue unified government orders, and strictly enforce orders and prohibitions. It is necessary to promote the glorious traditions of the people in Shandong, give consideration to the overall situation, and guarantee the comprehensive fulfillment of the state assigned cotton purchasing task. Second, we should relentlessly grasp and carry out the cotton purchasing work. During the previous stage, all localities did lots of work. However, many policy measures have not been put in place. Some cotton purchasing enterprises still have disregarded the state policy criterion, and arbitrarily forced up or forced down quality and prices; and many cotton growers have still adopted a wait-and-see attitude. During the next step, we should concentrate efforts on putting the policies in place. Third, we should give full play to the exemplary and leading role of the broad masses of party-member cadres and regard doing a good job in cotton purchase as the actual deed in implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee. The rural party organizations in the cotton producing areas should regard mobilizing and organizing party-member cadres to take the lead in selling cotton to the state as the current work priority of the grass-roots party organizations, and serve as examples for the masses. Fourth, we should strictly observe laws and disciplines, forbid the arbitrary raising of cotton purchasing prices and the cotton allocation prices, and the collection of above-normal cotton prices and fees. Except for the units explicitly stipulated by the State Council, no department or enterprise is allowed to meddle in cotton purchase, processing, and sale; no locality or unit is allowed to directly link the producers with the marketing units or to allocate cotton to other localities as a form of coordination or friendship. Banks are not allowed to grant cotton purchasing loans to enterprises that are not engaging in cotton business; railway departments are not allowed to provide trains for units that are not engaging in cotton business to transport cotton; state-owned textile enterprises are not allowed to privately purchase cotton from the cotton producing areas; the temporary cotton inspection stations in all localities are not allowed to exempt the inspection of each and every unauthorized cotton business car; and all purchasing units are not allowed to rush to purchase cotton. The cotton processing enterprises are forbidden to adulterate quality cotton with inferior cotton. The state-owned units are not allowed to understate, to fail to declare, and to exaggerate the progress of purchase, and to issue IOU slips to cotton growers. The party and government organs at all levels must unconditionally implement these stipulations to the letter. Those that fail to enforce laws and regulations and violate disciplines must be strictly investigated and handled, and must not be treated over leniently. Fifth, we should realistically strengthen leadership. Provincial, prefectural, and county party and government top leaders should assume overall responsibility and grasp this work personally. Cities and prefectures should take full responsibility for counties, counties for townships, and

townships for villages, so that each level will grasp the work of the next level and be held responsible for the next level.

Governor Zhao Zhihao also addressed the meeting. Jiang Chunyun and Zhao Zhihao also put forward demands on grasping autumn harvest and planting, doing a good job in capital construction of farmland and water conservancy projects, and promoting all fields of work in the rural areas.

Shanghai Strives To Maintain International Standards

*OW1910155194 Beijing XINHUA in English 1524
GMT 19 Oct 94*

[FBIS Transcribed Text] Shanghai, October 19 (XINHUA)—Shanghai has become one of the best cities observing the certification system in China, according to sources from the '94 Shanghai International Certification Symposium, which opened here today.

The ratio of the production against sales of Shanghai-made products has remained over 97 percent for several consecutive years, the highest in China. Its export volume has also registered a two-digit growth. 70 percent of 1,000 kinds of major products made in Shanghai have reached the standard level in the 1980s and 1990s on par with similar overseas products.

Shanghai started to implement ISO9000 [International Standards Organization] standards since late 1980s. 400 enterprises are listed in the plan every year. At present, 5,700 local products have adopted international standards or advanced overseas standards.

The city set up Shanghai Accreditation of Certification (SAC), China's first certification organ, in December 1992. It has been listed by the Central Secretariat of International Standardization Organization in an international name list of certificate accreditation bodies.

Without high quality products, Shanghai could not be built into an international economic, financial and trading center, Vice-Mayor Jiang Yiren said at the opening ceremony.

During the three-day symposium, nearly 200 scholars, entrepreneurs and government officials from the United States, Japan, Germany, France, Netherlands, Britain, Russia, Switzerland, Australia and 15 Chinese provinces and cities will discuss certification strategy, the relations between quality and market and government's role in the field.

Shandong Makes Progress in Poverty Reduction Work

*OW2010020994 Beijing XINHUA in English 0120
GMT 20 Oct 94*

[FBIS Transcribed Text] Jinan, October 20 (XINHUA)—East China's Shandong Province has been

implementing preferential policies towards poverty stricken areas in recent years to help develop their local economy.

Last year, the annual per capita income for farmers in 15 poverty-stricken counties across the province reached 710 yuan, already above the national poverty line. It is expected to top 850 yuan this year.

The population under the poverty line in the province has been reduced from 4.81 million in 1984 to 1.2 million this year. They are mainly in the mountainous areas.

In the past ten years, the province has invested over 1.2 billion yuan and provided a large amount of materials such as chemical fertilizer, diesel oil, steel and timber to the areas. Other preferential policies have also taken effect including the reduction of taxes, sending agrotechnicians and increasing investment in infrastructures.

The province also uses overseas donations and aid to help the poverty stricken areas.

According to Vice-Governor Wang Jiangong, the province is aiming at eradicating poverty across the whole province within the next five years. The province will continue to give financial and material support to the poverty stricken areas and help these areas to further improve infrastructure construction.

Central-South Region

Guangdong Governor Stresses Antismuggling Drive

HK2010085194 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 12 Oct 94

[FBIS Translated Text] At the provincial antismuggling work meeting, which concluded today, Governor Zhu Senlin stressed once again: To struggle against smuggling, it is necessary to solve the question of understanding.

Zhu Senlin pointed out: Enhancing the understanding of party and government leaders and solving the question of struggling against smuggling in words or in deeds is the main issue at present as well as the key to doing a good job in the struggle against smuggling.

He said: An analysis of the smuggling activities in Guangdong shows that all smuggling activities, such as the smuggling of ships in the eastern region of Guangdong, the smuggling of cigarettes and motor vehicles in the western region of the province, the smuggling of electric appliances, frozen goods, and fruits in the estuary of the Zhu Jiang, and the shipping of goods enjoying tax reductions and exemptions out of the special economic zones, have something to do with the understanding and attitude of local party and government leaders. Particularly, some leaders who hold the

antismuggling post concurrently have a shallow understanding of the struggle against smuggling. They pay lip service to the struggle against smuggling but do not actively implement it. A tiny number of cadres at the basic level and law-enforcement departments at the grass-roots level have an ambiguous attitude toward the struggle against smuggling and are even getting involved in and protecting smuggling activities.

Zhu Senlin pointed out: The focal points of the combined antismuggling operations and the specific struggle against smuggling are to crack the criminal activities of smuggling cigarettes and selling smuggled cigarettes and the smuggling of [words indistinct] ships. He stressed: Investigating and punishing major and important smuggling cases is an effective measure with which to [words indistinct], educate cadres and the masses of people, and redeem law enforcement personnel. It is also an important task in thoroughly carrying out the struggle against corruption.

Guangdong Regulations on Prices Become Effective

HK1910145094 Beijing ZHONGGUO XINWEN SHE in English 1228 GMT 19 Oct 94

[FBIS Transcribed Text] Guangzhou, October 19 (CNS)—Regulations of direct administration of prices for services and commodities and the price category for such services and commodities which were issued by the Guangdong Bureau of Prices have recently come into force.

The regulations stressed that it was up to bureaus of prices at various levels to adjust prices for commodities and charging standards for services in accordance with their own jurisdiction in terms of price administration. They can also work out practices for price fixing, differences seen in price fixing, profit rates, and floating prices. As for commodities and services priced by enterprises, those enterprises can fix the prices on their own according to the state laws and regulations. Strengthened supervision and examination of the market prices have to be carried out for daily necessities and services as well as for major means of production.

The price regulations do not cover fee-charged items of an administrative nature at the present stage. The category has a list of 74 kinds of commodities and services including farm produce, industrial items, real estate, medical treatment, education, and services, all of which are under the administration of the provincial authorities. There are 36 types of commodities and services under the administration of provincial authorities and city authorities covering the county level.

Guangdong Cracks Down on Smuggling

OW1910090894 Beijing XINHUA in English 0643 GMT 19 Oct 94

[FBIS Transcribed Text] Guangzhou, October 19 (XINHUA)—Guangdong Province adjacent to Hong Kong

has stepped up its crackdown on the smuggling of refined oil, rolled steel and plywood.

According to provincial statistics, since last September, the Guangdong customs seized over 59,000 tons of refined oil, over 15,000 tons of rolled steel and 1,584 cubic meters of plywood intended to be smuggled into the Chinese mainland.

While check-ups have been tightened at the ports of Guangzhou, Gongbei, Shantou, Huangpo, Jiangmen, Zhanjiang and Kowloon, anti-smuggling sea patrol has also been enhanced. Patrol boats belonging to the Guangzhou, Kowloon and Jiangmen customs have seized 2,450 tons of smuggled refined oil valued at some three million yuan (350,000 U.S. dollars).

Guangdong To Slow Real Estate Industry Growth

HK1910134794 Beijing ZHONGGUO XINWEN SHE
in English 0820 GMT 19 Oct 94

[FBIS Transcribed Text] Guangzhou, October 19 (CNS)—The growth rate of the real estate industry in Guangdong Province exceeded 100 percent in the past two years. It is impossible to maintain such a high growth in the future. Investment scale for the real estate industry in the province will be regulated downwards in order to slow down the overly high growth of this industry in the past several years, the director of the Guangdong Provincial Construction Commission, Mr. Chen Zhiqian, expressed recently.

Mr. Chen said that the growth of this industry should be adaptable to that of total investment in social fixed assets. He added that one important thing in this sector was that the scale of land transfer should be moderate. In view of too large a scale of land transfer, which has led to too much land lying idle in the past several years, the scale of land used for property development would be properly controlled in the future. The annual total volume of land for construction purposes will be controlled within 37,000 hectares in the coming 10 years and that for real estate development, 8,200 hectares.

Meanwhile, those developers who have already obtained the right of land utilization are asked to put such land under development within the required time limit.

According to the director, the scale of commodity housing construction, as well as its structure, must be in conformity with the demands of market. Guangdong saw over 76 million square metres of commodity housing under construction last year. Such a scale was too large for the real demand there. As a result, some places in the province suffered a sluggish sale of commodity housing, especially luxury villas and other high-grade flats. This was also something which needed serious studying in this sector.

Hainan Governor Calls Meeting on Economic Growth

HK2010070094 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 14 Oct 94

[FBIS Translated Excerpt] Yesterday afternoon [14 October] Governor Ruan Chongwu called the 48th provincial government executive meeting to listen to feedback reports by the provincial statistical bureau, industrial department, and financial department, and by the provincial bank on the operational results of Hainan's economy in the last three quarters of this year and to arrange economic work for the fourth quarter. [passage omitted]

Since the beginning of this year, the provincial authorities have strengthened the construction of infrastructural projects, including energy, transportation, and telecommunications facilities; have deepened reform; have widened the scope of opening up; and have improved the investment environment. Taken as a whole, Hainan's economic operation is good. According to initial statistics, the province's gross domestic product in the last three quarters of this year amounted to 15.037 billion yuan, an increase of 13.9 percent over the same period of last year, as calculated on the basis of comparable prices. Primary industry increased by 13.6 percent, secondary industry by 17.7 percent, and tertiary industry by 10.8 percent.

The executive meeting pointed out the need for Hainan to maintain rapid economic growth in the fourth quarter of this year, and to pool capital from various aspects. [passage omitted]

Henan Secretary on Plenary Session Decision

HK2010084994 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 11 Oct 94

[FBIS Translated Excerpt] On 10 and 11 October, the Henan Provincial CPC Committee held a provincial party leading cadre meeting in Zhengzhou to relay and study the documents of the Fourth Plenary Session of the 14th CPC Central Committee. [Secretary] Li Changchun, [Governor] Ma Zhongchen, Ren Keli, Lin Yin Hai, Song Guochen, Fan Qinchun, Ma Xianzhang, Zhang Wenbin, and other leading comrades attended the meeting. Leading party cadres from all provincial departments and all prefectures and cities also attended the meeting.

At the meeting, they seriously studied the documents of the Central Committee plenum, unanimously expressed support for the plenum's decision, agreed with Comrade Jiang Zemin's important speech, and supported the personnel changes made by the Central Committee plenum. Through study and discussions, they deepened their understanding of the plenum's spirit and more clearly understood the objectives of the party's work. This would play a great role in strengthening party

building in the new period and promoting reform, opening, and modernization.

On behalf of the Standing Committee of the provincial party committee, Secretary Li Changchun gave an important speech at the meeting. He first stressed the need to deeply understand the great significance of the Fourth Plenum of the Central Committee, and fully understand the importance and urgency of strengthening party building in the new period. [passage omitted]

The second point stressed by Li Changchun in his speech was the need to conscientiously study and understand the documents of the Fourth Plenum of the Central Committee. [passage omitted]

The third point stressed by Li Changchun was the need to conduct in-depth investigations and to work out effective measures for implementing the decision of the Central Committee plenum. [passage omitted]

The fourth point stressed by Li Changchun was the need to strengthen party building, promote reform and opening, and guarantee the sustained, rapid, and healthy development of the economy in Henan. [passage omitted]

Hunan Secretary on Plenary Session Decision

HK2010091294 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 10 Oct 94

[FBIS Translated Text] The Seventh Plenary Session of the Sixth Hunan Provincial CPC Committee concluded in Changsha yesterday afternoon after a two-day meeting. The meeting discussed and ratified the provincial party committee's proposal for implementing the CPC Central Committee's decision on strengthening party building and other major issues. Proceeding from Hunan's specific conditions, this proposal sets explicit requirements on how the province should study and implement the decision of the Fourth Plenary Session of the 14th CPC Central Committee. Yesterday's meeting was presided over by provincial Deputy Secretary and Governor Chen Bangzhu. Provincial Secretary Wang Maolin made an important speech on behalf of the provincial party committee's Standing Committee.

Wang Maolin's speech was divided into five parts: First, fully understanding the major significance of the Fourth Plenary Session of the 14th CPC Central Committee and its decision; second, correctly appraising Hunan's party building and upholding the principle of the party exercising strict leadership over party organizations; third, strengthening the party's ideological and style buildup and bringing the party's organizational buildup into prominence; fourth, making party building serve the party's basic line and ensuring the smooth carrying out of reform, opening up, and socialist modernization; and fifth, conscientiously relaying and implementing the instructions of the Fourth Plenary Session.

Wang Maolin said: Party building is facing many new situations and problems. Party organizations also have many problems to resolve in terms of ideology, organization, and style. The key to resolving new contradictions and new problems in party building is to exercise strict leadership over party organizations.

Wang Maolin stressed: The core of strengthening the party's ideological building is to use Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm all party members, to further emancipate their minds, and to strengthen democratic centralism. The key to strengthening democratic centralism is to safeguard the Central Committee's authority as well as the party committees' and governments' authority. In strengthening grass-roots party organizations, the fundamental task is to improve their coherent force and combat worthiness. There is a need to make leadership groups stronger. In particular, it is necessary to resolve the problem of training and selecting leading personnel to transcend the 20th century. In strengthening the party's style buildup, persistent efforts must be made to combat corruption and encourage cleanliness, to adhere to the fundamental principle of wholeheartedly serving the people, and to uphold the party's mass line.

Wang Maolin pointed out: Studying, propagating, and implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee is a major matter in the entire party's political life. All levels of party committees must take serious account of this matter and adopt effective measures to make it an important topic on the agenda. The propagation and implementation of the Fourth Plenary Session's instructions must be closely combined with the current ideological work so that this year's work will yield good results and next year's work will see a good beginning.

Shenzhen Works To Open Party Cells in Enterprises

HK2010084494 Hong Kong EASTERN EXPRESS in English 8-9 Oct p 9

[Article by Bruce Gilley, From the "Getting To Know the Party" column: "Party Cells Multiply in Shenzhen"]

[FBIS Transcribed Text] Shenzhen officials have scotched rumours of a serious deterioration in Communist Party fortunes in the city by publishing figures showing a surge in party membership and a growing number of party cells in the corporate sector. The move comes as party organisations across the country move to implement directives issued at the recent national plenum in Beijing, which emphasise shoring up grass-roots support for the 73-year-old party.

In a front page report, the SHENZHEN SPECIAL ZONE DAILY said party membership in the city stood at 93,000, more than 6.6 times the 1979 figure of 14,000. Shenzhen's population is almost 3 million. Applications

to join the party rose from 7,000 in 1990 to 11,000 last year, the report said. "In the past 14 years, the grass-roots organisations of our city's party have developed in a period of economic reforms and grown in strength during a time of exploration," it said.

While maintaining an upbeat tone, the report cautioned that Shenzhen's party faced "a series of new problems which have never been met before". It warned the city's dominant non-state sector would not be exempted from the requirement to allow the party past the factory gate. "The city party committee recognises that Shenzhen is a special economic zone and not a special political zone," it said. "As a result, no matter where enterprises develop, party organisations must be set up in the same place." Party cells have already been set up in 60 per cent of shareholding enterprises and a total of 900 foreign-funded enterprises, it said.

Three new work committees would be set up with responsibility for establishing party cells in government departments, city-owned enterprises and out-of-city work units. The establishment of party cells in foreign-funded enterprises would be the responsibility of the relevant industrial bureau of the local partner. Shenzhen radio reported yesterday that eight work groups had been sent out in Baoan district to begin the new party cell campaign.

Experienced party cadres who became redundant would be reassigned to other enterprises which had a shortage of cadres, rather than retired, the report in the SHENZHEN DAILY said. Redundant party cadres from more than 500 government-departments and state enterprises were reassigned to other units last year, it noted. The article hinted at a reluctance of many units to accept the unproductive staff, but said the problem had been overcome. "After continuous readjustments, the relations between organisations at all levels have become more congenial, and the floating cadres at every level have all found 'a second home'."

In June, the Shenzhen party committee announced that it would establish more party cells among the city's 230,000 private businesses to promote "business ethics". The first cell was composed of seven hawkers in the city's Yuanlin market, who had "worked diligently" and "put in long hours for charity" according to the deputy director of the party's organisation department, Liu Feng.

Shenzhen officials claim the influence of the party has not waned despite a decade of breakneck capitalism in the town, although the official media there frequently reports party cadres being caught for corruption. The city's party chief, Li Youwei, in May called for stepped up ideological work in Shenzhen because "thoughts of money-worshipping, hedonism and extreme individualism" had grown prevalent among some people. Cadres assigned to enterprises, he said, "should consciously resist the infiltration of thoughts of 'money goes first'

and decadent lifestyles... and handle well the relationship between the public and the individual interest". All government cadres at or above the party level would be sent for refresher courses in communist dogma in the next two years, Li said.

The magazine CHENG MING reported earlier this year that more than 30 senior party and government cadres in Shenzhen had asked to be transferred late last year, disgusted by widespread corruption. It quoted party elder Chen Yun as saying: "It is hard to imagine that party and government cadres would take advantage of reforms to make money illegally. How could they ignore party discipline and state laws?"

Southwest Region

Sichuan Leader Sends Cadres to Rural Areas

HK2010094994 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 13 Oct 94

[FBIS Translated Text] At a recent enlarge plenary meeting of the provincial party committee, provincial party Secretary Xie Shijie announced that the provincial authorities will send 30,000 party-member cadres, 1,000 of whom are from provincial- and prefectural-level institutions, to the rural areas to help improve weak rural party branches.

Sichuan is a large agricultural province. Most of its 200,000 grass-roots party organizations and 4 million party members are in rural areas. For this reason, the provincial party committee has decided to take the improvement of rural party organizations as a major matter in the current rural work and party building, and urges the rectification and improvement of grass-roots rural party organizations, by groups, within three years. Rectification must focus on weak and lax party branches so as to resolve prominent problems.

Xie Shijie demanded that grass-roots party organizations in all trades and undertakings throughout the province must be improved in light of their specific conditions by giving detailed guidance and bringing their focal points into prominence, adding that this job must be done well, and in accordance with the requirements of the Fourth Plenary Session decision.

Sichuan Establishes State Security Department

HK2010095294 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 11 Oct 94

[FBIS Translated Text] In accordance with the spirit of the directives of the party Central Committee and the State Council, the Sichuan Provincial Department of State Security was officially set up in Chengdu yesterday [11 October]. Leaders of the provincial party committee, the provincial people's congress, the provincial government, the provincial committee of the Chinese People's Political Consultative Conference, and the provincial discipline inspection commission, as well as of the State

Ministry of State Security and the troops stationed in Chengdu, such as Xu Shijie [provincial party secretary], Xiao Yang [governor], Nie Ronggui, (Huang Fuzhong), Song Baorui, Pu Haiqing, Xi Yifang, and Niu Ping, in addition to some veteran leaders attended the inaugural meeting.

Vice Governor Pu Haiqing, deputy secretary of the provincial party committee, presided over yesterday's meeting. In their speeches, Song Baorui, deputy secretary of the provincial party committee, and the person in charge of the State Ministry of State Security pointed out: Sichuan is the motherland's rear area, which occupies a special strategic position. The founding of the Sichuan Provincial Department of State Security is an important move taken to further strengthen the people's democratic dictatorship. In accordance with the requirements of the State Security Law, preventing, checking, and cracking criminal activities which endanger state security, and which are carried out by domestic forces in collusion with forces from outside the borders, has great significance in defending national security, safeguarding social and political stability, and ensuring the smooth progress of reform and opening up to the outside world, as well as economic construction.

Niu Ping, member of the standing committee of the provincial party committee and director of the public security department, and (Yang Zhuming), person in charge of the provincial state security department, said at the meeting: Public security and state security organs should perform their own duties in close coordination, according to state stipulations, and make contributions to safeguarding Sichuan's social and political stability, and to ensuring and promoting reform and opening up to the outside world, as well as economic construction.

Yunnan Secretary Demands 'Fulfillment' of 7 Tasks

HK2010095194 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 15 Oct 94

[FBIS Translated Excerpt] The Fifth Plenary Session of the Fifth Yunnan Provincial CPC Committee ended in Kunming yesterday afternoon. The session ratified the provincial party committee's work report, as well as its suggestions on implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee on strengthening party building. Provincial party Secretary Pu Chaozhu chaired and addressed yesterday's session. He demanded the fulfillment of the following seven tasks:

First—relaying, studying, and propagating the instructions of the Fourth Plenary Session of the 14th CPC Central Committee, and the instructions of the Fifth Plenary Session of the Fifth Yunnan Provincial CPC Committee. Institutions at the county level and above must organize party members to study these instructions conscientiously, hold profound discussions in light of

their specific conditions, and make proposals on strengthening party building in their localities and institutions.

Second—bringing into full play the role of party schools, Marxist theoretical educational centers, and centers for cultivating party spirit; running training courses on three basic principles; using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to arm the entire party; encouraging the study style of combining theory with practice; remolding the world outlook; solidly establishing faith in ideals and the principle of serving the people; and using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to resolve practical problems in reform, opening up, and economic development.

Third—fostering a down-to-earth work style that adheres to the mass line; cultivating the habit of carrying out investigation and study; and going to grass-roots units and staying among the masses to learn about their feelings. The detailed requirements are: Within three years, members of county party committees' standing committees, as well as county deputy chiefs, must tour all village affairs offices in their counties to learn about the situation and help local people with their work; within five years, members of the Guizhou City Party Committee's Standing Committee, vice commissioners, prefectural chiefs, and mayors must tour all towns, townships, and large, important enterprises under their jurisdiction; within seven years, members of the provincial party committee's standing committee and vice governors must tour all cities, counties, and large, important enterprises in the province.

Fourth—running a clean administration, combating corruption, consolidating the achievements in the first and second phase combat against corruption, concentrating efforts on handling major and important cases, rectifying malpractices in trades and undertakings, strengthening the party's political and discipline inspection, and ensuring the implementation of the Fourth Plenary Session decision.

Fifth—making preparations for holding good quality meetings on the democratic life of county party committees and party groups during the Spring Festival, so as to strengthen and perfect democratic centralism, restore and carry forward the spirit of criticism and self-criticism, improve party spirit and unity, and enhance the party's combat worthiness.

Sixth—encouraging young activists to enroll in the party so as to increase the vitality of party branches.

Seventh—improving leadership groups and training young cadres. [passage omitted]

Yunnan Stresses Importance of Discipline Inspection

HK1910143994 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 16 Oct 94

[FBIS Translated Text] The fifth plenary meeting of the Yunnan Provincial Discipline Inspection Commission

opened in Kunming yesterday. The meeting passed a resolution on how discipline inspection departments should supervise and ensure the implementation of the party Central Committee's decision on strengthening party building and other major issues and on the provincial party committee's suggestions for implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee.

The meeting first announced the provincial party committee's circular, which reads: With the approval of the Central Committee, Sun Gan is appointed member of the provincial party committee's standing committee and secretary of the provincial discipline inspection commission; Lang Dazhong is removed from the provincial party committee standing committee membership and as secretary of the provincial discipline inspection commission.

The plenary meeting stressed: In this new situation, discipline inspection institutions must regard the conservation of the party's political discipline and supervision over the implementation of democratic centralism as their important tasks. Reeducation on democratic centralism for all party members, particularly party-member leading cadres, must be strengthened and their consciousness in practicing democratic centralism must be strengthened.

The plenary meeting pointed out: The cultivation of party style is an important component of strengthening party building. For the present, political discipline, organizational discipline, and personnel discipline must be strengthened.

The meeting demanded: All-level party committees, discipline inspection commissions, and discipline inspection cadres must conscientiously study and deeply understand the instructions from the Fourth Plenary Session of the 14th CPC Central Committee and the fifth plenary session of the provincial party committee and make new contributions to enhancing the province's party building to a new height and promoting the province's reform, opening up, and economic construction.

Sun Gan, member of the provincial party committee's standing committee and secretary of the provincial discipline inspection commission, spoke at the meeting, saying: In the course of studying and implementing the instructions from the Fourth Plenary Session and further strengthening party building, discipline inspection departments at all levels have heavier tasks to undertake and must employ a strong sense of responsibility and mission for the work of party building. They must have reformist spirit in exploring ways to better serve party building, the formation of a clean administration, reform, opening up, and economic construction. On the basis of conscientiously studying and understanding the instructions from the Fourth Plenary Session of the 14th CPC Central Committee and the fifth plenary session of the provincial party committee, they must make great efforts to ensure the fulfillment of all tasks set by the

Central Committee and the provincial party committee. There is a need to strengthen the formation of the discipline inspection cadre contingent.

In his speech, Sun Gan pointed out: It is necessary to inherit and develop the fine tradition and good style in discipline inspection work. Under the leadership of the provincial party committee, investigation and study must be strengthened and discipline inspection work must be improved by proceeding from self.

Liu Huan, deputy secretary of the provincial party committee; and Lang Dazhong, former secretary of the provincial discipline inspection commission and vice chairman of the provincial committee of the Chinese People's Political Consultative Conference, also spoke at the meeting. Thirty-three members of the provincial discipline inspection commission attended the meeting.

North Region

Beijing Secretary Chen on City's Development

HK2010020094 Hong Kong TA KUNG PAO in Chinese
15 Oct 94 p 2

["Special dispatch from Beijing" on interview with Chen Xitong, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal CPC Committee, by staff reporter in Beijing "some days ago": "Bring Into Play Superiorities and Characteristics of the Capital City"]

[FBIS Translated Text] Beijing, 14 Oct (TA KUNG PAO)—Chen Xitong pointed out: Facing the national situation of accelerating the pace of reform and opening up and vigorously developing the economy, Beijing has a sense of urgency, even a sense of crisis. However, the faster the economy of various localities is developing, the more favorable the situation will be to Beijing.

He then answered questions raised by our reporter on economic and political construction, the anticorruption struggle, and the recent student situation in Beijing. The following is the full text of the questions and answers.

Beijing's Sense of Crisis and Sense of Urgency

[TA KUNG PAO] Our newspaper has published your article on Beijing's efforts in striving to achieve the goal of leading a relatively comfortable life three years ahead of schedule. Our overseas readers are showing great interest in Beijing's development. Beijing, as the capital of China, occupies an unmatched political and cultural position. However, as far as its economic position is concerned, is Beijing faced with a kind of challenge in the wake of the rising of greater Shanghai and the rapid development of the coastal areas? How will Beijing give play to its roles in the economic field?

[Chen Xitong] Since Comrade Deng Xiaoping made the important speeches during his south China tour and the 14th CPC National Congress, all localities in our country

have been accelerating the pace of reform and opening up and vigorously developing the economy. Facing this situation, we certainly have a sense of urgency, or even a sense of crisis. However, the rapid development of the coastal areas and the rising of greater Shanghai are playing a positive leading role for the whole nation, the hinterland, and Beijing as well; a role of promoting, supporting, and assisting the latter's development. The capital is a capital for the people throughout the country. It is not an isolated entity. Only when the whole nation is well developed can Beijing be well developed. If the national situation is not good, Beijing cannot be good either. The better the fraternal provinces, municipalities, and regions are developed, the more favorable the situation will be for Beijing and the more Beijing will benefit. We sincerely hope that the coastal areas and Shanghai will develop even faster and better. We will not be jealous. Instead, we hold that the whole nation represents the interests of the whole and various localities have their specific superiorities. The coastal areas and Shanghai have their great superiorities and Beijing and other fraternal provinces, municipalities, and regions also have their specific superiorities. They should cooperate with each other on the basis of division of work, give play to their superiorities, learn from each other's strong points, and support each other so that they can achieve common prosperity. When the superiorities of various localities are brought into full play, China will surely achieve a faster and better development in its four modernizations drive. Therefore, there are no questions such as "challenge" and who wins between Beijing and other localities.

Beijing is the capital and the political and cultural center of China. It is also a center for international and internal contacts. The nature and functions of this city require that Beijing should serve better the central authorities, the international and internal contacts, and the people of the city. According to this requirement and in light of its specific superiorities, Beijing must develop a type of economy suited to the capital's characteristics.

Although Beijing is characterized by "a big city with small suburbs," its suburban population has reached 3,824,000 and its mountainous area makes up 62 percent of the total area. Beijing's development cannot be separated from its suburban areas. It will be greatly restrained if agriculture is not promoted. For this reason, we must continue to take agriculture as the basis, attach great importance to the development of the primary industry, and make great efforts to increase the modernization level of agricultural production.

In the secondary industry, a relatively solid foundation has been laid through our efforts over the past decades. In the future, we must further give play to our superiority in human and intellectual resources to vigorously develop high science and high tech industries, especially the electronics, automobile, food, textile, and machinery industries.

It is necessary to achieve a greater development in Beijing's tertiary industry. Only thus can Beijing give better play to its functions as a center for international and internal contacts. People often say that the degree of development of the tertiary industry is an important symbol of the city's modernization level. However, Beijing's tertiary industry has always been backward compared with other areas. Although a greater development has been achieved in this field over the past few years, it only makes up some 48 percent of the GDP. When compared with other big cities of the developed countries, there is an even greater gap. In the future, we must make greater efforts to speed up its development.

Political and Democratic Legal System

[TA KUNG PAO] Recently, the question of stability has frequently been discussed. As a big political metropolis, the political trends in Beijing have always been followed with great interest outside. What concrete work has Beijing done and what efforts has it made in this field?

[Chen] Comrade Deng Xiaoping pointed out: "The overriding problem in China is that it needs stability. Without a stable environment, nothing can be accomplished and all the achievements already made will be lost." Stability is a prerequisite and guarantee for reform and opening up and for smooth progress in the modernization drive. Without stability, we cannot even begin to talk about deepening reform, developing the economy, and improving the people's livelihood. Especially as the capital, Beijing is also the political center linking the hearts of the party, the people, and the Army. We must put political stability and harmony and unity among various nationalities in a very important position. We have done a series of things in this regard.

First, we have maintained a high degree of unanimity with the central authorities in the political field to ensure a smooth implementation of the various policies and principles of the party Central Committee with Comrade Jiang Zemin at the core.

Second, we have paid special attention to strengthening Beijing's political construction and the construction of a democratic legal system and have further improved the people's congress system, the system of multiparty cooperation under the leadership of the Communist Party, and the political consultative system. We have continued to administer the city according to the law and brought the work of maintaining political stability and social order in the capital into the orbit of rule by law.

Third, the building of spiritual civilization must be put in an important position and the policy of paying equal attention and laying equal stress to both material progress and cultural and ideological progress must be adhered to. While continuing to develop the economy rapidly and healthily, stress should actually be laid on cultural and ideological progress. It is necessary to carry out education in patriotism and collectivism vigorously and endeavor to increase the scientific and cultural

quality of the people of our municipality. It is necessary to eliminate all kinds of vices in society resolutely and without leniency.

Fourth, it is necessary to take strong measures to tackle public security problems in a comprehensive way. Compared with some big metropolises in the world, Beijing's security situation is relatively good but it is still not satisfactory. There are still some problems that should not be ignored. We must always maintain vigilance against the sabotage and destructive activities of the hostile forces both inside and outside the country. We must continue to deal heavy blows at all kinds of serious criminal offenses and serious economic crimes and severely punish the criminal offenders according to law so that social security can be preserved.

The Fourth Milestone of Urban Construction

[TA KUNG PAO] Beijing has achieved great successes in urban construction over the past 15 years since reform and opening up, which have drawn great attention from all over the world. It is said that following the "first, second, and third milestones" of Beijing's urban construction, the "Dongfang Plaza," an investment by Hong Kong firms, is regarded as the "fourth milestone." Could you say something about it?

[Chen] Immediately after liberation, under the direct care of the central authorities, the government adopted measures to bring the dirty "Longxugou" under control. In the 1950's, the magnificent "10 great projects" were built. Especially since reform and opening up, greater development has been achieved in Beijing's urban construction. Why has Beijing's urban construction been developing so fast and disorder prevented? The key lies in that we have a good urban construction plan. Although the original plan was destroyed during the "Cultural Revolution," immediately after the Third Plenary Session of the 11th CPC Central Committee, the central authorities approved a new general plan for the capital's urban construction. This provided a guarantee for carrying out urban construction in this city in an orderly way. At present, Beijing is still a developing city. Compared with other big cities in the developed countries, we still lag far behind in the level of modernization. This is especially the case in construction of basic facilities. Moreover, the styles of buildings are still rather dull. In the previous stage, we carried out a great discussion on the subject of "regaining the style and features of an ancient capital." This was aimed at overcoming the existing problems in the capital's construction. There is still a long way to go in order to build Beijing into a modern international city which is among the world's best historical and cultural cities, combining its specific nationality traditions and local features with the spirit of our times. It needs the efforts of several generations of people.

People say that over the past decades there have been several milestones in Beijing's urban construction. First was the Great Hall of the People, one of the 10 major

projects in the 1950's; the second was the Asian Games Village; and the third is Beijing's Western Railway Station, which will soon be completed. The Dongfang Plaza is located in the heart of the city, from the busy Wangfujing to Dongdan. Its location is important, its scale is big, and all its facilities are advanced. When it is successfully completed, it can really be called the "fourth milestone" in Beijing's urban construction. Messrs. Li Ka-shing, Tung Chien-hua, and Li Han-chao are determined to develop this project successfully. This is an expression of their love for the motherland and the capital and an act of foresight and resolution. We can also say that they will "surely surprise the world with their accomplishments," for they will "do nothing unless success is assured."

No Slackening in Efforts To Fight Against Corruption

[TA KUNG PAO] "Fighting against corruption" is an important task put forward by the party Central Committee. How has Beijing carried out this task?

[Chen] The struggle against corruption is a matter concerning the destiny of the party and the cause of building socialism with Chinese characteristics. Fundamentally speaking, the Communist Party and the People's Government are honestly performing their official duties and serving the people. The great majority of our cadres are good or relatively good. Only very few of them have been corrupted.

However, we are always clear-headed against corruption and have actively and resolutely adopted a series of measures to fight against it. In view of the fact that the phenomena of corruption have their sources in society and the long-term history, which cannot be eliminated overnight, we put forward a policy of "first, be resolute, second, be everlasting, and third, achieve successes stage by stage." We have proposed some concrete demands and targets to be attained in a certain stage and made continuous efforts to carry on so that the phenomena of corruption can be reduced to the lowest possible degree and so that they may not affect the healthy body of our party and government.

In accordance with the arrangements by the central authorities, and in light of our practical situation, Beijing has attached importance mainly to the honest performance of duties by cadres above the section-chief level in party and government organs. Meetings have been held regularly among them to conduct criticism and self-criticism. The results of such meetings have also been made known to grass-roots and nonparty friends. Supervision, both from above to below and from below to above, has been strengthened and successes have been achieved in this stage. We have conscientiously investigated and handled a number of major and serious cases and dealt resolute and relentless blows at serious economic criminals. From January to September this year, we have openly tried 418 serious economic criminals who were involved in cases involving more than 10,000

yuan. Of these, 90 were sentenced to 10 years' imprisonment, 11 were sentenced to life imprisonment, seven were sentenced to death with probation, and eight were sentenced to death and executed. One of them was a vice minister, four were cadres at bureau and deputy bureau chief level, and five were cadres at section and deputy section chief level. We will continue to adopt various effective methods to carry out the anticorruption struggle without slackening our efforts.

University Students Are Working Hard To Master Professional Skills

[TA KUNG PAO] Beijing's intellectuals and university students make up a big proportion in the whole nation. What they think and do can also easily receive reactions from society. What are their main political interests at present?

[Chen] After the violent changes in the international political situation and the disturbances, our intellectuals and university students obtained both positive and negative experiences and were well tempered. As a result, their consciousness has greatly increased. They have come to know more profoundly that Deng Xiaoping's theory on building socialism with Chinese characteristics is correct. It conforms to China's national conditions and represents Marxism in contemporary China. They have come to understand more profoundly that the party's basic line of "one center, two basic points" is correct and that it is necessary to adhere to this line for 100 years without hesitation. They have come to understand more profoundly that no other force in China can replace the leadership position of the CPC. Only under the leadership of the CPC can our motherland be prosperous and powerful and can the people achieve common prosperity. At present, the vast numbers of intellectuals are enthusiastically dedicating their wisdom and intelligence to the motherland's four modernizations drive. The university students are working hard, enthusiastically, and in a down-to-earth manner, to master professional skills, making preparations for building the motherland and rejuvenating China. They are ready to greet the coming of the 21st century with full confidence.

[TA KUNG PAO] Beijing has also made great achievements in education. At the National Educational Work Conference in June this year, Premier Li Peng put forward the question of "reforming the structure of running schools and collecting funds from various quarters to run schools." What new measures will Beijing take in this respect? How many private schools does Beijing have now? What is the general situation in such schools?

[Chen] The Beijing Municipal CPC Committee and the Municipal Government have always put education in a strategic position for priority development and taken deepening reform as a fundamental measure to promote the development of education. In our opinion, education should mainly be run by the state. At the same time, it is

necessary to mobilize the initiative of various quarters and the entire society in running schools. Just as was pointed out by Premier Li Peng, a major problem in running schools is the collection of funds. We always emphasize that the governments at all levels should offer the money before the others. Over the past few years, the municipality's financial department has continuously increased input for education. The expenditure in this field has reached over 20 percent for five years in succession. Moreover, with the development of the rural economy, input to county, township, and village educational institutions has also been increased. At the same time, we have called on all trades and professions in society to show concern for and support education. It is really a good thing to donate money for running schools. The donations from various social circles and overseas people, and those from our Hong Kong and Macao compatriots, are playing an important role in our municipality's educational development.

We encourage various social forces to run schools. We have brought these schools under the unified management of the government and offered continuous assistance to them. At present, there are a total of 70 private schools in Beijing, including kindergartens and senior middle schools. Generally speaking, their situations are good. The order and education quality of these schools are continuously improving. We will continue to support their development.

Protect Historical and Cultural Legacies

[TA KUNG PAO] What are the things in Beijing with special cultural features and traditions that should be protected and cultivated?

[Chen] The city of Beijing has been established for more than 3,000 years. It was the capital for five dynasties for more than 800 years. Therefore, it has abundant above ground and underground cultural relics. Every inch of Beijing's 16,800 square km of land is inlaid with pearls of the brilliant Chinese culture and the party and government attach great importance to protecting the cultural relics. In order to clarify responsibility and give play to the initiative of various levels in protecting cultural relics, there are a total of 960 cultural relics protection units in Beijing at present. These are divided into national level, municipal level, and the district and county level units. Beijing's policy regarding the protection of cultural relics is: To combine protection with utilization. The purpose of protection is to utilize and only by utilizing the cultural relics can they be better protected. We are now following this policy and, in accordance with the overall planning of the city, doing a good job to protect this famous historical and cultural city as a whole so that the outstanding culture of the Chinese nation will not be destroyed and vanish like smoke. Instead, it will become even more brilliant and colorful through the modernization drive.

We will also restore some traditional cultural relics, such as the meeting place of the Kuomintang's [KMT] first

national congress and the Hunan-Guangdong Guild Hall where Dr. Sun Yat-sen often visited. They are all outstanding pieces of the Chinese historical and cultural legacies and should be protected appropriately. At the same time, we have also combined inheritance with creation and built several new cultural landscapes, such as the Daguan Yuan Gardens, the Tianqiaole, the Miniature World of Old Beijing, the Jinghuayuan Palace, the Garden of the Chinese Nation, and the World Park.

In addition, Beijing also has many traditional and unique folk arts, such as Beijing Opera, Quyi [folk art forms including ballad singing, story telling, comic dialogues, etc], puppet shows, and so forth. They should be inherited and injected with the new spirit of our times and should be rejuvenated and developed under the new historical conditions.

We must also strive to absorb the essence of foreign culture and art while protecting our historical and cultural legacies. We must develop all kinds of new artistic forms, such as modern drama, modern opera, symphony music, and ballet, so that they can add radiance and beauty to each other in our motherland's ancient and modernized capital.

Telephone Switchboard Use on Increase in Beijing

OW2010034694 Beijing XINHUA in English 0222
GMT 20 Oct 94

[FBIS Transcribed Text] Beijing, October 20 (XINHUA)—Program-controlled telephone switchboards with a total of 337,000 lines went to operation here in the first eight months of 1994, according to an official of the Beijing Municipal Government.

Jia Yong, deputy director of the Municipal Bureau of Posts and Telecommunications, said that during that period, 1,929 telephone booths were built in railway stations, department stores, scenic spots and other public places.

Addressing a meeting of the standing committee of the municipal people's congress, he said that program-controlled telephone switchboards were also installed in 50 poor villages in Beijing's suburbs.

The number of urban telephone users shot up by 118,000 during the January-August period, up nearly 96 percent over the same period in 1993.

As a result, telephone sets are available for 26 of every 100 urban residents, he said.

He said that Beijing plans to install 300,000 to 340,000 telephone sets this year and at least 400,000 sets in 1995.

Foreign-Funded Firms in Beijing Increase

HK2010070694 Beijing CHINA DAILY in English 20
Oct 94 p 3

[By Cao Min: "More Trade Unions Set Up"]

[FBIS Transcribed Text] Trade Unionists and government officials met in Beijing yesterday to discuss how to set up more trade unions in overseas-funded enterprises. The meeting, held by Beijing Municipal Committee of the Communist Party and Beijing Federation of Trade Unions, was organized in response to a growing number of overseas firms, labour disputes and work-related accidents in firms funded by overseas investors. The All-China Federation of Trade Unions (ACFTU) has already started a national inspection of trade unions in joint ventures.

And the head office is urging local branches to pay greater attention to setting up offices in overseas-funded enterprises.

The organization has also called on trade unions to join hands with labour departments to supervise the implementation of the country's Labour Law.

About a third of Beijing's overseas-funded enterprises have set up trade unions in accordance with the newly promulgated legislation.

And employees from 764 enterprises now have their own unions to protect their rights and safeguard their interests, according to Li Shufa, Vice Chairman of Beijing's Federation of Trade Unions.

At the end of June this year, 2,310 overseas-funded firms were registered as employing 240,000 Chinese staff.

While at the same time, the municipal government approved 8,789 such enterprises in the capital city, Li said.

Although overseas investment has made positive contributions to the capital's development, it has also had negative effects.

As overseas investment booms, more labour disputes in overseas-funded firms have arisen.

Some overseas employers, especially small manufacturers, often force their staff to work over-time, neglect safety standards and deliberately find fault with employees as an excuse to cut wages or fine them.

Serious problems still remain in small factories, and some staff have even died in work-related accidents.

For example, last November, 84 workers died in a fire at a doll factory. The firm had been invested in by a Hong Kong businessman. Investigators found that the Shenzhen factory kept all windows shut to "guard against theft", a breach of fire regulations.

In the same economic zone, 11 people were killed and two dozen injured when a five-storey factory dormitory collapsed in June.

Trade unions can serve as a watchdog to safeguard staff interests as well as ensuring the smooth running of the enterprises.

Tianjin Secretary on Beijing-Tianjin-Hebei Region
SK2010042994 Tianjin People's Radio in Mandarin
 1000 GMT 19 Oct 94

[FBIS Translated Text] Facing the rapid increase in the economy of Zhu Jiang and Chang Jiang deltas, the Beijing-Tianjin-Hebei region has no grounds to reject the path of cooperation. Only through cooperation can it improve its level and efficiency, obtain new advantages, and give rise to the pattern of opening south, middle, and north parts of China to the outside world. These are the remarks made by Gao Dezhan, secretary of the municipal party committee, a few days ago at the coordination meeting on development of cities in the Beijing-Tianjin-Hebei region.

Specialists maintained: The Beijing-Tianjin-Hebei region will become an extra-large group of cities in north China, as well as a new growth point of the economy in the north. This region has unique advantages in all of its regional conditions, natural resources, economic strength, and scientific and technological strength. In addition, it has already been provided with a considerably large economic scale and a good industrial foundation. With the highest density of cities in China, this region ranks first in China in terms of comprehensive scientific and technological strength. With Beijing's Shoudu Iron and Steel Company, Yanshan Petrochemical Industrial Plant, and other very important large- and medium-sized enterprises of China located there, this region is the largest one in north China that embraces many trades. With rich tourist resources, this region has the conditions necessary to become a world-level summer and tourist resort incorporating the functions of tourism, sight-seeing, archaeology, and vacationing. Being able to radiate to north China, northeast China, and northwest China, this region will become the best area in which Northeast Asian countries, including Japan, ROK, and Russia, can conduct economic cooperation. Taking advantage of this developmental trend, the Tianjin Bonded Area has already begun operation and has begun to take shape.

Inner Mongolia Area Becomes 'Major' Grain Producer

OW1910084594 Beijing XINHUA in English 0700
 GMT 19 Oct 94

[FBIS Transcribed Text] Hohhot, October 19 (XINHUA)—The Yellow river bend in the Inner Mongolia Autonomous Region has become one of north China's major producers of grain after years of efforts in improving irrigation and drainage systems.

From 1992, annual grain production in this area exceeded 1 million tons a year.

But years ago, 30 percent of all the 1.14 million ha arable land in this area kept deteriorating, caused by extensive water irrigation from the Yellow river without proper drainage systems.

In recent years, the central and local governments have invested over 460 million yuan to improve irrigation and drainage systems in this area.

In 1989, the World Bank also provided a loan worth 500 million yuan for the construction of a new irrigation project, named the northern irrigation program.

After six year's construction, the project is close to be completed. It will help resolve soil salinization.

Northwest Region

Shaanxi Province Publishes New Newspaper

HK1910121194 Xian SHAANXI RIBAO in Chinese 20
 Sep 94 p 1

[Report by staff reporter Luo Qingshan (5012 7230 1472): "MINSHENG BAO Starts Publication"]

[FBIS Translated Text] MINSHENG BAO [PEOPLE'S VOICE 3046 3932 1032], a paper run by the Shaanxi Provincial People's Congress Standing Committee, based in Shaanxi, covering the whole country, started publication not long ago. This paper will be a helpful companion to the masses, a showcase of current information, a tribune for democracy and the legal system, and a front for supervision of public opinion. It will also serve as a bridge for the party and the government to establish ties with the masses.

Shaanxi Foreign Trade Grows 'Rapidly'

OW1910115494 Beijing XINHUA in English 1130
 GMT 19 Oct 94

[FBIS Transcribed Text] Xian, October 19 (XINHUA)—Exports of northwest China's inland Shaanxi Province have grown rapidly.

A foreign trade official said that export volume hit a record high of 990 million U.S. dollars last year, and it is expected to reach 1.1 billion U.S. dollars this year.

Its total export volume from 1991 to 1993 added up to 2.36 billion U.S. dollars, doubling that of previous three years.

The province increased its exports of finished products rather than raw materials which accounted for the lion's share of exports previously.

The imports of the province reached 500 million U.S. dollars last year.

The export goods have changed from raw materials to manufactured products, from primary products with lower prices to finely processed products with higher prices, according to the official.

Mechanical products, textile, coal, agricultural products and by-products have rose to be pillar goods for export.

A landlocked province with a total population of 34 million, Shaanxi has a land area of more than 205,600 sq km.

Qinghai Secretary on Studying Plenary Session Spirit

HK2010091094 Xining Qinghai People's Radio Network in Mandarin 2300 GMT 10 Oct 94

[FBIS Translated Excerpt] Yesterday morning the provincial party committee's Propaganda Department held a meeting for people in charge of propaganda and cultural departments to relay the provincial party committee's circular on studying and implementing the instructions of the Fourth Plenary Session of the 14th CPC Central Committee. At the meeting Provincial Party Secretary Yin Kesheng set specific requirements for propaganda and cultural departments on how to understand, implement, and propagate the instructions of the Fourth Plenary Session of the 14th CPC Central Committee. [passage omitted on names of other participants]

At the meeting, the participants unanimously pointed out that the Fourth Plenary Session of the 14th CPC Central Committee will produce a strong impetus to strengthening and improving party leadership, to enhancing the party's leadership ability, and to promoting China's socialist modernization. They also said that the study of the instructions of the Fourth Plenary Session must be combined with the study of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the education on patriotism. In particular, propaganda and press departments must improve their weak links in the work concerning the party spirit. [passage omitted]

At the meeting, Provincial Party Secretary Yin Kesheng asked all propaganda and cultural departments to fully understand the importance of party leadership, to

strengthen party building through studying and implementing the instructions of the Fourth Plenary Session, to put party building in the first place, to raise their consciousness in implementing the party's basic line, to cultivate the party's image better, to safeguard the party's authority, and to help improve the party's leadership ability.

Yin Kesheng hoped that all-level party organizations and party members throughout the province will exert themselves in the course of studying and implementing the instructions of the Fourth Plenary Session; always remember the principle of wholeheartedly serving the people; keep ideals, the overall situation, and making contributions in mind; uphold and develop the party's fine traditions of hard struggle and maintaining close ties with the masses; cultivate the habit of telling the truth; and be earnestly responsible to the party and for the people. [passage omitted]

Experts Probe for Oil, Gas in Xinjiang

OW2010021094 Beijing XINHUA in English 0123 GMT 20 Oct 94

[FBIS Transcribed Text] Urumqi, October 20 (XINHUA)—Chinese scientists claimed that the Jurassic stratum contains rich thick and diluted oil and natural gas and has broad prospects for exploration.

The stratum used to be thought as a coal stratum that cannot generate oil and gas.

Up to the present, the Jungar Basin in northwest China's Xinjiang Uygur Autonomous Region has discovered nine oil pools and 26 oil blocks, with a total geological reserve accounting for 28 percent of the total.

Experts from the Xinjiang Oil Administrative Bureau believed that more oil strata can be found if sufficient knowledge of the Jurassic Age strata is obtained.

They are at present concentrating efforts on the study in the hope of making a breakthrough.

Taiwan Wins Support of 3 More Nations for GATT Bid

OW2010091394 Taipei CNA in English 0752 GMT 20 Oct 94

[By Maurus Young And Danielle Yang]

[FBIS Transcribed Text] Geneva, Oct. 19 (CNA)—Taiwan has won the support of three more nations for its bid to join the General Agreement on Tariffs and Trade (GATT).

A six-member Taiwan delegation, led by Director Ku Te-yeh of the Council of Agriculture's Food and Agriculture Department, concluded bilateral talks with Uruguay, New Zealand and Australia on Oct. 17, 18 and 19 respectively. All three said they would support Taiwan's GATT bid.

The delegation held bilateral talks with the three countries on fruit quarantine technology, fruit packaging and air transportation problems.

Ku said he also agreed to send experts to Australia to study the air transportation of fruit. Both Taiwan and Australia were satisfied with the talks.

The delegation will hold bilateral talks with Argentina and Colombia on Thursday. Similar talks will be held with Mexico and Chile on Friday. The delegation will return to Taipei on Saturday.

Talks With Mainland on Oil Exploration Under Way

OW1910150794 Taipei CNA in English 1325 GMT 19 Oct 94

[By Bear Li]

[FBIS Transcribed Text] Taipei, Oct. 19 (CNA)—Officials of the state-run Chinese Petroleum Corp. (CPC) are meeting with their mainland counterparts on the possibility of joint oil exploration in the East China and South China Seas.

A ranking CPC official, who asked not to be named, confirmed that delegates from the Overseas Petroleum Investment Corp., which is a subsidiary of the CPC, and the mainland's Chinese National Ocean Oil Corp. are currently meeting in Singapore to consider prospects for joining hands in exploring for oil in the two seas.

"We are just exchanging opinions and data, and conclusions, if any, would take a quite long time to reach," he said.

Chen Ming-chang, director of the Economic Affairs Department of the Mainland Affairs Council, said that because the move is being made through a CPC subsidiary and because negotiations on the project are being held in a third country, the CPC is not in violation of the guidelines for national unification, which prohibit state-owned enterprises from investing in the mainland.

Chen said the cabinet's task force on mainland affairs has given the CPC a green light for the project. "Both sides are just considering the projects from an economic point of view, and no sovereignty issue would be involved," he said.

Economic Affairs Minister P.K. Chiang said the project would be in the interests of both Taiwan and the mainland since most of their oil reserves overlap in the sea.

Claim of Missing Rhino Horn Stockpiles Denied

OW1910152794 Taipei CNA in English 1345 GMT 19 Oct 94

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Oct. 19 (CNA)—A government official said Wednesday [19 October] that only 33 percent of the government's registered stockpile of rhino horns is missing, and not the 65 percent claimed by an official of the Convention on International Trade in Endangered Species, or CITES.

Lin Shiang-nung, vice chairman of the Council of Agriculture (COA), was responding to a letter sent to the beautiful Taiwan foundation by Murray Hoskin, the CITES Standing Committee chairman, about the high percentage of rhino horns missing from Taiwan's registered stockpiles of the banned product.

Ting Tien-quei, executive director of the foundation, earlier sent a letter to Hoskin, who visited Taiwan early this year, asking what actions Taiwan could take before the Nov. 7-18 CITES conference in Florida to avoid having sanctions meted out to it.

Hoskin suggested in the letter that if Taiwan wants to avoid sanctions, it would have to account for why its rhino horn stockpile was 1,735.5 kilograms in an earlier estimate but just 601.59 kilograms in August.

Lin said that when the stockpile was first registered in 1990, 1,470 kilograms of rhino horn were tallied, and that the total indeed had increased to 1,735 kilograms in a 1992 count, but that its latest tally showed a stockpile of 1159.5 kilograms, and not the 601.59 kgs Hoskin claimed.

Lin said that the discrepancy was due in part to registration errors and consumption of the horns by the registered owners.

Lin said most CITES members have been satisfied with the improvement Taiwan had made in its conservation efforts, but that a few countries think Taiwan should speed the passage of an amendment to its wildlife conservation law.

But Ting said that he was not hopeful Taiwan could avoid sanctions because it has fallen short in passing the amendment and in cracking down on the illegal smuggling of endangered species products.

As the CITES Standing Committee will draw up the agenda of the November conference and one of the issues to be discussed will be whether to impose trade sanction on Taiwan, Mainland China, South Korea and Yemen for their alleged violations of global conservation pacts, Ting said the attitude of Hoskin and the other six members of the Standing Committee toward Taiwan's wildlife conservation efforts is crucial.

Meanwhile, a report completed Tuesday by the COA on the progress of Taiwan's wildlife conservation efforts, which will be sent to CITES, shows that Taiwan has not fully complied with CITES' requirements.

As the revised wildlife conservation law has still not passed the third reading in the Legislative Yuan, the COA could only say in the report that it will seek through all possible channels to urge the Legislative Yuan to speed the passage of the revised law.

Talks With ROK Stall Over Auto Import Quotas

OW2010091794 Taipei CNA in English 0749 GMT 20 Oct 94

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, Oct. 20 (CNA)—Talks between Taiwan and South Korea under the framework of the General Agreement on Tariffs and Trade (GATT) have stalled over auto import quotas, according to a trade official who recently returned to Taiwan after talks in Seoul.

Huang Yen-hao, director-general of the Board of Foreign Trade, said Thursday that the biggest problem in Taiwan-South Korea trade talks is the auto import quota. South Korea has asked Taiwan to initially import 8,788 cars, and boost imports by 30 percent annually, Huang said.

Under the South Korean formula, Taiwan would have to import 19,307 South Korean cars this year. Taiwan, however, has proposed a 3,000 car quota, with 10 percent annual increases, he said. Huang said that the serious differences will have to be worked out in later talks. He noted that news of a Taiwan deal to allow import of 1,500 Malaysian cars was leaked, fueling South Korean demands.

Taiwan is scheduled to hold bilateral talks under the GATT framework with Japan Friday. Both sides will discuss matters related to service and agricultural industries, and will not discuss car import quotas as originally scheduled. Trade officials noted that South Korea may use the results of Taiwan-Japan bilateral talks on car quotas as a reference on which to base future quota demands.

Taiwan Representative Meets OECD Counterparts

OW2010092694 Taipei CNA in English 0651 GMT 20 Oct 94

[By Victor Lai]

[FBIS Transcribed Text] Tokyo, Oct. 19 (CNA)—The Paris-based Organization for Economic Cooperation and Development (OECD) convened its first high-level informal meeting in Tokyo on Wednesday [19 October] for participants from OECD member countries and the nine dynamic non-member economies.

The Republic of China [ROC], one of the non-member economies, was represented by Vice Economic Affairs Minister Sheu Ke-sheng. Since 1989, the OECD has held a series of informal dialogues with six dynamic Asian economies, including Taiwan.

An OECD official said the organization will deepen and intensify its cooperation and exchanges with the Asia-Pacific Economic Cooperation Forum and is considering beginning exchanges with Mainland China. A plan is being made to send a mission to Beijing in the near future, he said.

Vice Minister Sheu said the Republic of China has not yet prepared to apply for membership in the OECD, but will continue to promote exchanges with OECD members.

Membership was not discussed at the Tokyo meeting. But it's understood that South Korea is going to submit its formal application for membership this year. Four European countries, the Czech Republic, Hungary, Poland and the Slovak Republic, have recently applied for membership.

Trade Surplus With Hong Kong Hits \$9.2 Billion

OW2010092194 Taipei CNA in English 0727 GMT 20 Oct 94

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Oct. 20 (CNA)—Taiwan's trade surplus with Hong Kong hit US\$9.2 billion during the first half of this year, according to statistics released by the Mainland Affairs Council (MAC) Thursday [20 October].

The US\$9.2 billion was four times Taiwan's trade surplus with the United States during the same period, making Hong Kong Taiwan's top trade surplus source.

Taiwan's exports to Hong Kong totaled US\$9.93 billion during the first six months of 1994, accounting for 22.9 percent of total exports. Imports from the British colony totaled US\$729 million, accounting for 1.8 percent of Taiwan's total imports.

Taiwan's trade with Hong Kong and Macao (including goods transshipped to Mainland China) reached US\$10.7 billion during the period, the MAC statistics showed.

Meanwhile, Taiwan invested US\$112 million in Hong Kong during the January-June period, an increase of

US\$71 million or 175 percent. Hong Kong invested US\$123 million in Taiwan, up US\$58 million or 89 percent.

Judging from the remarkable growth in bilateral investment between Taiwan and Hong Kong, MAC officials said Taiwan businessmen have expanded their investment in the British colony from stocks and real estate to international trade, marine industries, finance and securities.

Correction to Jiang Speaks of Meeting Li

HK1710050094

The following correction pertains to the item headlined "Jiang Speaks of Meeting Li 'In Due Course'" published on page 71 of the 14 October China DAILY REPORT: Page 71, column one, paragraph five, first sentence make read: ...During the meeting, Chang Ping-chao, former member of the Taiwan... (correcting name and changing "members" to "member")

Hong Kong

XINHUA Official Criticizes Executive Council

HK2010015894 Hong Kong WEN WEI PO in Chinese
16 Oct 94 p A11

[Report: "Zhang Junsheng Says Hong Kong Executive Council Members Have No Right To Make Indiscreet Remarks on Matters To Be Discussed by the Preliminary Working Committee"]

[FBIS Translated Text] Zhang Junsheng, deputy director of XINHUA Hong Kong Branch, last evening attended the annual party of the Hong Kong Plastics and Machinery Manufacturers' Association and responded to the offensive remark made by a member of the Executive Council [Exco] yesterday against the Preliminary Working Committee [PWC] on the matter of recognition of academic qualifications from China. Zhang Junsheng said that the incumbent Exco members under the British Hong Kong authorities have no right to make indiscreet remarks on matters to be discussed by the PWC.

Zhang Junsheng pointed out that the PWC is a working body appointed by China's National People's Congress [NPC] Standing Committee to perform initial-phase preparatory work for the establishment of the future Special Administrative Region [SAR] Government and that, since its inception, Mr. Patten has belittled it, attacked it, and even said it had no credibility, though recently he called it an advisory organ. Zhang Junsheng said: The British Hong Kong authorities must not interfere in our country's affairs, for they simply have no right to do so; furthermore, the PWC's credibility is an objective existence, which cannot be belittled or attacked by the British Hong Kong authorities.

Zhang Junsheng said that the PWC discusses the relevant issues fully according to the Basic Law and the decisions of the NPC and serves the long-term interests of Hong Kong. Someone has said that it has no credibility because it is not an elected body but an appointed one. Patten has uttered many such words in the past. Then, may I ask Mr. Patten, as he has been sent here by the Queen and was never elected by the Hong Kong people, what credibility does he have? That Executive Council member was also appointed, not elected, so what credibility does she have?

Zhang Junsheng said that the issues discussed by the PWC will have to be submitted to the Preparatory Committee to be studied and decided upon. Everyone's ideas and suggestions should be welcomed in the course of discussion. Regarding the recognition of academic qualifications, Chapter Six of the Basic Law does, in fact, have clear stipulations. (A reporter interrupted and said it is Article 136, and Zhang Junsheng said: You are more familiar with the document than I am; it is Article 136.) The future SAR Government will formulate a policy on this issue at its own discretion. The PWC has suggested

that old colonial influences should be removed. What is wrong with this? Why must the Executive Council member take this opportunity to attack the PWC?

A reporter asked Zhang Junsheng his view on the Hong Kong Government's comment that a number of senior and middle-ranking civil servants will seek early retirement before 1997. Zhang Junsheng said: We hope to see a stable contingent of civil servants in Hong Kong, and the Basic Law has clear stipulations that, except for the secretary-level officials who will be nominated by the chief executive of the SAR and appointed by the central government, Hong Kong's civil servants may continue to serve in their posts in the future.

Zhang Junsheng hoped that the Hong Kong Government would try its best to maintain stability among the civil servants and refrain from doing things which would undermine their confidence. This is conducive to the current administration of Hong Kong as well as to Hong Kong's transition in the future. He said: Regarding someone's remark that the Sino-British row has led to the early retirement of some civil servants, it precisely illustrates that the British Hong Kong authorities have stirred up many controversies which have affected the confidence of the civil servants.

Legislators Debate Governor's Policy Address

HK2010060094 Hong Kong SOUTH CHINA
MORNING POST in English 20 Oct 94 pp 1, 2

[By the Political Desk]

[FBIS Transcribed Text] Legislators yesterday lashed out against Governor Chris Patten for bringing more gloom than hope over a smooth transition to Chinese rule in the next 985 days.

Leading members said Mr Patten's policy address, entitled "Hong Kong: A Thousand Days and Beyond", had failed to spell out concrete moves to end the Sino-British standoff.

On the domestic front, promises made by the Governor to enhance the quality of life in the territory were dismissed by some members as "a numerical game" and "old wine in new bottles".

Painting a gloomy picture, some Democratic Party members pointed the finger at China for its "violation" of provisions in the Basic Law and the Joint Declaration. They pointed to the setting up of the Preliminary Working Committee (PWC) and its proposals for a provisional legislature and automatic recognition of mainland university degrees in Hong Kong after 1997.

Democrat Lau Chin-shek said: "(legislator) Cheung Man-kwong has asked them (the PWC) to shut up. I would like to ask them to close down their stove."

His party chief, Martin Lee Chu-ming, urged the British Government to take urgent steps, even unilateral moves, to safeguard the implementation of the Joint Declaration.

Zhang Junsheng, for example, spent many years as the deputy secretary of the Zhejiang University and Hangzhou municipal party committees.

Four years before he arrived in Hong Kong, Zheng Guoxiong was the head of the organisation department of the Guangdong provincial party committee, a powerful body with broad responsibilities for personnel management in the province.

From 1975, Qin Wenjun was the deputy secretary-general of the Guangdong provincial party committee and concurrently the head of the party's general office. Beginning in 1980, he held a series of appointments in the Guangdong and Shenzhen party bureaucracies. He was head of the provincial Policy Research Office and became the deputy secretary of the Shenzhen party committee, with responsibilities for propaganda as well as organisation and personnel work.

The former deputy director Zheng Hua also had some experience as a party bureaucrat—he was the deputy head of the Guangdong provincial party committee rural work department before he took over economic management duties in Hainan and Macao.

Portfolios have been distributed among the leadership group.

According to sources, Zheng Hua, a relic from the previous administration of Xu Jiatao, was in 1992 responsible for political work. Formerly the first deputy director under Xu, he has had a broad range of responsibilities, including organisation and personnel work. He has since retired from Xinhua.

Zhang Junsheng, another relic from Xu's tenure, is responsible for propaganda work. Zhang is also Xinhua's official spokesman in Hong Kong.

Zheng Guoxiong is in charge of organisation and personnel, a function he performed for the CCP at the provincial level in Guangdong for several years before he came to Hong Kong.

Qin Wenjun is responsible for internal discipline. His role became especially important after "discipline problems" emerged in leftist circles in Hong Kong, including Xinhua, during and after the June 4 repression of dissent in Beijing.

Below the deputy directors are a number of departments, some of which perform critically important functions.

In 1992 the Co-ordination Department was in charge of party united front work, the most important work of Xinhua. One important task of this department is to identify influential people in Hong Kong and enlist them to assist Xinhua in implementing China's policies. Youth and women's divisions are subordinate units of the department. The youth division supervises the activities, for example, of a highly respected youth-services group, the "New Generation" (xinyidai), which runs a newspaper and youth centres.

The Propaganda Department is responsible for maintaining extensive clippings files of articles that have been published in various Hong Kong newspapers and magazines. In addition, it maintains files on journalists in Hong Kong, based on the journalists' own published materials.

The Foreign Affairs Department handles the increasingly dense network of official relations with the Hong Kong government.

Central authorities in Beijing have also established a special party organisation in Hong Kong, the Hong Kong and Macao Work Committee. The committee, appointed by the party central committee, was led by a secretary, several deputy secretaries and a secretary-general. It also consisted of a number of ordinary members. The director of Xinhua, Zhou Nan, is presumed to be the secretary of the Work Committee. Deputy secretaries of the committee are drawn from among some of the deputy directors of Xinhua and among some of the assistant directors. Because of their extensive backgrounds in party work and because of their bureaucratic status, the cadres who were most likely to have been deputy secretaries of the work committee in 1992 were Zhang Junsheng, Qin Wenjun, Wang Pinquing, and Zheng Hua. All but Zheng Hua, who has since retired, presumably continued in these roles.

Zheng Guoxiong was an ordinary member of the committee. Although the previous secretary-general of Xinhua, Yu Mengxiao, may have held the same post on the committee, he has apparently been replaced, reportedly because he helped Xu to leave for the United States in April 1990. Whether the Xinhua secretary-general, Zhu Yucheng (who previously headed an institute of the Chinese Academy of Sciences) also holds the same post on the Work Committee is unclear. Other ordinary members of the committee come from among the leaderships of China Resources, China Merchants, the Bank of China (Hong Kong Branch), and China Travel Service. Because the activities of the Work Committee and its existence are shrouded in secrecy and not officially acknowledged in Hong Kong it is impossible to specify accurately the composition of the committee.

Various parts of the Xinhua bureaucracy perform staff functions for the Work Committee. Party united front work is handled by the Co-ordination Department, organisation functions by Xinhua's personnel department, propaganda functions by the Xinhua department with the same name, and so forth. Other departments of Xinhua are also presumably enlisted to service the Work Committee as the need arises.

The intimate relations that exist among the party Work Committee, the HKMAO, a state organ, and the Xinhua network were clearly indicated in the 1982 official job description of the Hong Kong and Macao Affairs Office, which was still in use as late as 1987. This document described the HKMAO as responsible for among other things, "organising the (party) Hong Kong and Macao

Work Committee and relevant departments to research and determine policies and proposals to solve the 1997 Hong Kong and Macao problems ..." and "to assist the Hong Kong and Macao Work Committee to carry out upper-level united front work; worker and student basic-level mass work; work among the news media, publishing, film, etcetera; patriotic propaganda cultural and educational work and party and youth league work and cadre work".

That job description violated the central party's policy in the late 1980s, which was to separate party and state functions. This became a matter of some concern to HKMAO leaders at that time. To rectify the problem, all references to the Work Committee were removed from the HKMAO's official job description cited above. However, the 1990 version of the job description continues to mention activities such as "united front work and propaganda work"—phrases that are standard code for party work. This suggests that the close relationship between party and state agencies in China's Hong Kong policy has changed little since 1990.

In an implicit criticism of the lack of central party direction, one 1987 document noted that although Liao Chengzhi exercised strong central control through a "Central Hong Kong and Macao Work Small Group" (Zhongyang Gang-Ao gongzuo xiaozu), the Small Group was wound up and the situation deteriorated when Liao died. As only an office of the State Council, the document pointed out, the HKMAO could not coordinate all of the departments concerned with Hong Kong affairs. "Now (in 1987) there are so many departments, each battling it out with the other, (so that) policy is not going in the same direction, and disorder has emerged." Undoubtedly, things were simpler when Liao was alive.

Official party documents do not clearly spell out the status of the Work Committee. The documents indicate that although the Work Committee was a ministerial (or provincial) level organ during Xu Jiatun's tenure from 1984 to 1990, its status may have changed in 1990. According to the Job Title List of Cadre Positions Managed Centrally, issued in 1990, the Work Committee has been moved to a section of the nomenclature reserved for parts of the central party bureaucracy. This move was undoubtedly significant, and may have meant that the position of the committee—and, indeed, the Xinhua Hong Kong branch—had been downgraded. In 1990, when Zhou Nan was appointed to head Xinhua and the Work Committee, he was a vice-minister, one rank below Xu Jiatun. Zhou's party rank was considerably below Xu as well, for Zhou was not then a central committee member. It is likely, therefore, that in 1992, Lu Ping, a full minister, outranked Zhou Nan, who had been promoted to a vice minister for foreign affairs only two years before he took up the Xinhua post. This change has ensured tighter control from Beijing and may have contributed to the smoother running of China's official Hong Kong xitong [establishment].

The 1990 central party nomenclatural list indicates the wide range of appointments made by the party centre in the area

of "Hong Kong work". The leading positions in all of the institutions discussed above are covered in this document. In addition to the bureaucratic sources of friction, informal considerations were also at work. According to several sources, Xu Jiatun used his authority as head of Xinhua to staff senior positions in Hong Kong with figures personally loyal to him. Officials such as Zhang Junsheng, Zheng Hua, Pan Zengxi, and Yu Mengxiao were all personally recruited by Xu to replace long-serving, mostly Cantonese officials. Soon after Zhou Nan took over from Xu in 1990, however, Pan and Yu were transferred back to the mainland. Zhou subsequently criticised Xu for failing to implement a cadre rotation system that would have limited mainland cadres to five years in Hong Kong. Undoubtedly, the influence of the June 4 incident and Xinhua's subsequent protection of Xu as he prepared to flee to the U.S. prompted the policy change.

Macao

Donations Used for Chinese Flood Victims

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[FBIS Transcribed Text] Macao, October 19 (XINHUA)—People in southern China who lost their houses during this summer's heavy rains will be able to move into new ones before winter comes, a Chinese official said here today.

Fan Baojun, Chinese vice-minister of civil affairs, made this remark at a news conference on the utilization of Macao compatriots' donations to flood victims, which was held here this afternoon.

The XINHUA NEWS AGENCY Macao Branch received 30.92 million Hong Kong dollars (about 3.87 million U.S. dollars) in donations from Macao compatriots and all the money is already in the hands of local governments, Fan said.

Fan also said that Macao's donations could be used in building more than 50 new villages for flood victims, rebuilding more than 30 homes for the aged and help over 10,000 families repair their homes. He said these projects would benefit more than 90,000 flood victims.

He said, the government already resettled all victims temporarily by moving them to public properties or homes of other people.

He added that the government also launched a clothes and blanket donation campaign in more than 30 major cities across the country, and so far about 65 million items with a value of more than one million yuan (117,370 U.S. dollars) had been collected and the relief materials would reach the victims this week.

There had been no corruption reported in handling donations from Macao, as all procedures were closely monitored by the government, he noted.

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